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DISPLACEMENT AND OTHER CHANGES
IN STATUS OF FARM FAMILIES
INDUCED BY THE EFFECTS OF
NATIONAL DEFENSE ON AGRICULTURE
IN
KANSAS, NEBRASKA, SOUTH DAKOTA
AND NORTH DAKOTA



* * * * *

SUBMITTED BY
CAL A. WARD, DIRECTOR, REGION VII
UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
TO
THE SELECT COMMITTEE INVESTIGATING
NATIONAL DEFENSE MIGRATION
HOUSE OF REPRESENTATIVES

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OMAHA, NEBRASKA
NOVEMBER 25, 1941

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RELOCATION AND READJUSTMENT PROBLEMS OF FARM FAMILIES IN KANSAS, NEBRASKA, NORTH DAKOTA AND SOUTH DAKOTA, DUE TO DEFENSE ACTIVITIES

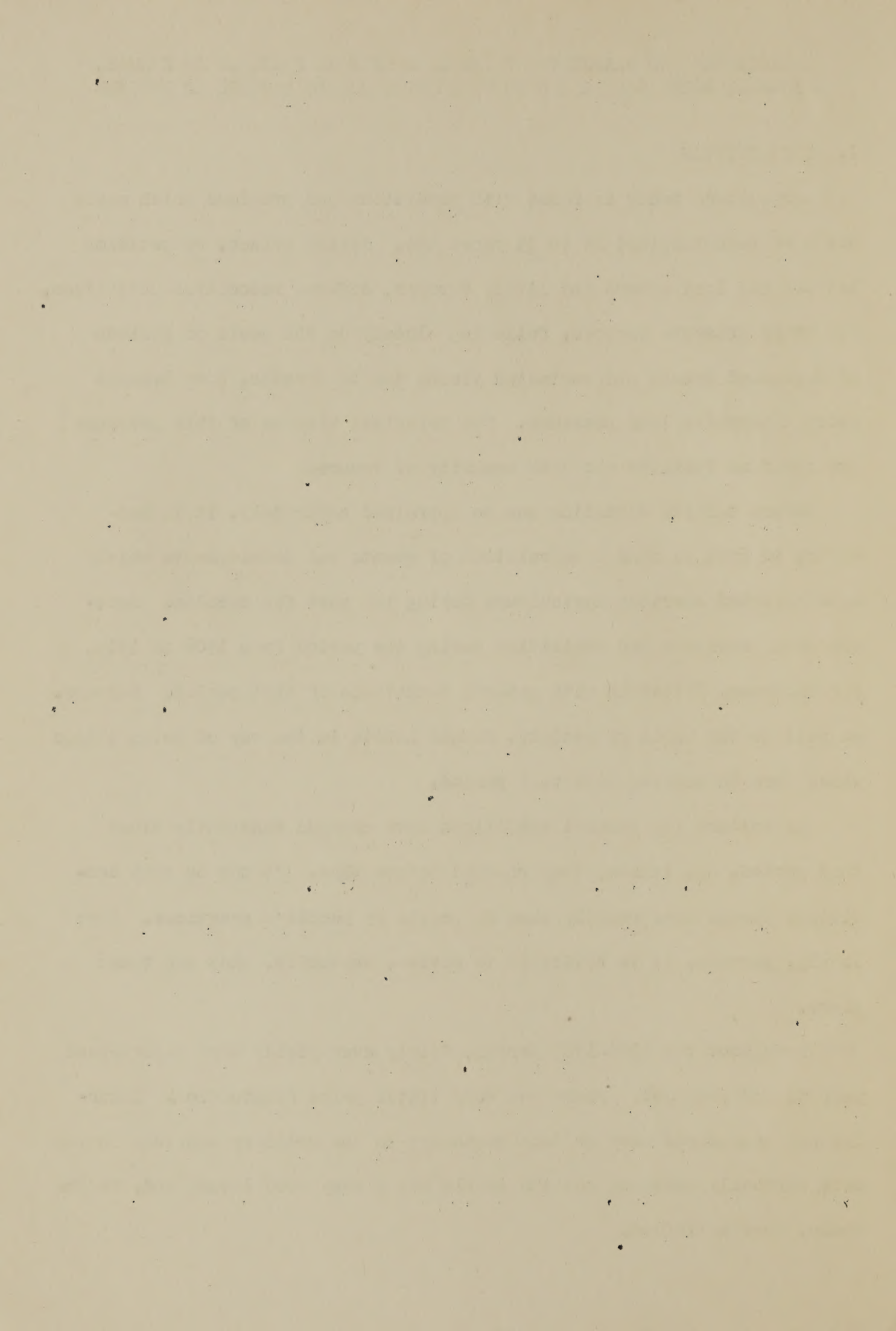
I. INTRODUCTION

Agriculture today is faced with conditions and problems which could not have been imagined 25 to 35 years ago. Rising prices, competition between big land owners and little farmers, defense relocation activities, and other pressure factors, following closely on the heels of periods of depressed prices and curtailed yields due to drouths, have brought about a terrific land pressure. The principal victims of this pressure are the farm families who lack security of tenure.

Before today's situation can be appraised accurately, it is necessary to have in mind a correlation of events and developments which have affected American agriculture during the past few decades. Agricultural practices and activities during the period from 1906 to 1915, for instance, fitted in with general conditions of that period. Farmers, as well as the whole of society, formed habits in the way of doing things which were in keeping with that period.

Agriculture and general conditions have changed constantly since that period, as, indeed, they changed before then. It may be that conditions change more readily than do people or people's practices. That is why, perhaps, it is advisable to review, sketchily, what has taken place.

Throughout the 1906-1915 period, fairly even yields were experienced year in and year out. There was very little price fluctuation. Luxuries now considered more or less necessary to the ordinary American family were virtually unknown, yet the people had a very good living and, on the whole, were satisfied.



Progress up the agricultural ladder, from farm laborer to tenant farmer to owner, was fairly constant. Frequently a girl or boy of one family was sent to work as a hired hand or hired girl for a neighbor in the hope that one or both might marry into the employer's family, thus to set up a new farm home.

Considerable land in this region in that period was still open for settlement; so it was not extremely difficult for a dissatisfied tenant farmer to find a desirable homestead and set up for himself on his own place.

Then, the World War

Following that period came World War I, and with it extremely rapid changes in America's agricultural and economic picture. The good yields continued; prices doubled and trebled. Millions of acres of new land that should have been left in grass were broken and planted to wheat. It was not uncommon for the first crop of wheat to pay a man for his farm.

With these unprecedented high farm returns, farm land prices skyrocketed. Every one was in a fever to buy land. A farmer owning his own place clear frequently bought an adjoining piece of land at a price far beyond its value, mortgaging his clear property to provide the down payment.

This often meant displacement of a family, but because farm wages were extremely high providing a good living for a farm hand, and because free land was still available for homesteading, no particular concern was felt.

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Debts Increased

Along with this fervor for increasing debts through land purchase was an equal desire to buy manufactured goods of all types, and installment buying gave this a big boost. The general feeling was that this country had entered an era of unending prosperity with limitless incomes and possible spending.

With these greatly increased debts, incurred at enormously inflated prices, came a general attitude that the old, homely practices of self-sufficiency were no longer necessary, and farmers and farmers wives began buying many things they formerly produced for themselves, and even invented ways of spending the money that was coming in so easily.

The War's Aftermath

When the war ended demand immediately began falling off, but production stayed at the peak that had been generated by the war. In the years of 1921 and 1922, there was a rapid drop in prices, and farmers became concerned over the disparity between prices, received for their commodities as compared with the prices that had prevailed when they had contracted their large indebtednesses.

From 1923 to 1926 agricultural prices showed considerable improvement, and the tension was greatly eased. From 1926 to 1929, however, with continued high production and rapidly increasing surplus, prices again went into a severe decline. In 1929 the Federal Farm Board came into the picture and temporarily eased the situation in wheat and cotton which were, at that time, the worst sufferers. Very soon

it became apparent that price stabilization was impossible without production control. In a little more than a year the Farm Board withdrew support from the market and prices dropped to a level which made it impossible for farmers to operate and pay their debts.

Wholesale foreclosures on land and chattels followed, and the dispirited farmer, seeing his years of hard labor coming to naught, became desperate and looked to drastic methods to stop this terrible loss. Farm strikes became common, and reached their peak in the winter of 1932 and 1933. There was practically no market for farm goods, and farmers were actually in want even though they had an over-abundance of raw materials on their farms.

Ever-Normal Granary

From this serious situation came the realization that the Federal Government must do something constructive and helpful, and in the fall of 1933 the wheat program providing for a control of acreage got under way. A short time later a hog buying program was started. In spite of sharp remarks about the "Slaughter of the Little Pigs", this program was a real help. Prior to this program, it was not uncommon for a farmer to take a wagon load of pigs to the sale barn and fail to get a bid on them.

In January of 1934 came the first step toward the ever-normal granary, with the sealing of the 1933 corn crop. Farmers were not long in seeing the value of this program; first, because they were able to seal their corn for 17¢ per bushel more than they could sell it for on the market; and second, because in the following winter the corn was

in the area where it was needed, and the farmer who had to buy made a substantial saving in freight, commissions, and so on. Also in 1934 the corn-hog program was started for control of production of both corn and hogs.

During the first year of this program came the horrible drouth of 1934, and the consequent necessity for the cattle buying program and the distribution of surplus grain as feed for subsistence livestock.

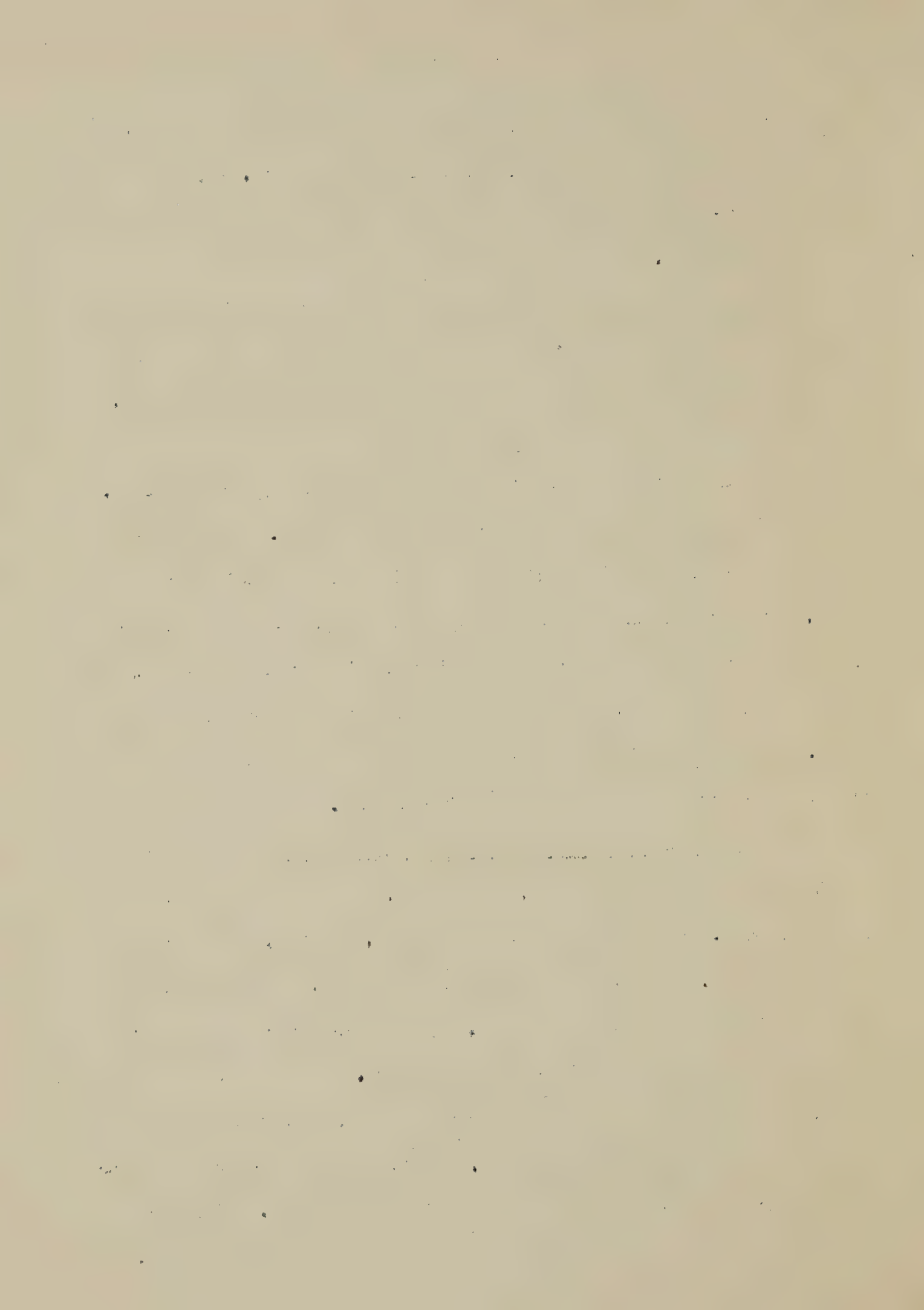
The Second Drouth

In 1936 there was a second drouth year as bad or worse than 1934, and from then until 1940 yields were far below normal. Many farmers in this region had raised practically nothing for the past 8 or 10 years. It is difficult for one who has not actually seen and experienced this condition to picture the struggle farmers have gone through trying to hold enough stock and equipment together to feed their families. Such trying times have resulted in much loss of morale and much loss of actual property through foreclosure.

Now, We Must Guard Against Repetition

From this picture of drouth, low yields, low prices and very meager incomes, we have changed very suddenly, in 1941, to an almost direct opposite. Farmers in this region generally, are experiencing the best yields of the last 15 years, and the best prices for their products that they have realized in many years.

Farmers are again feeling prosperous, and are expanding their operations with any credit available, and unless some checks are developed the present situation can lead to the same debacle, after the

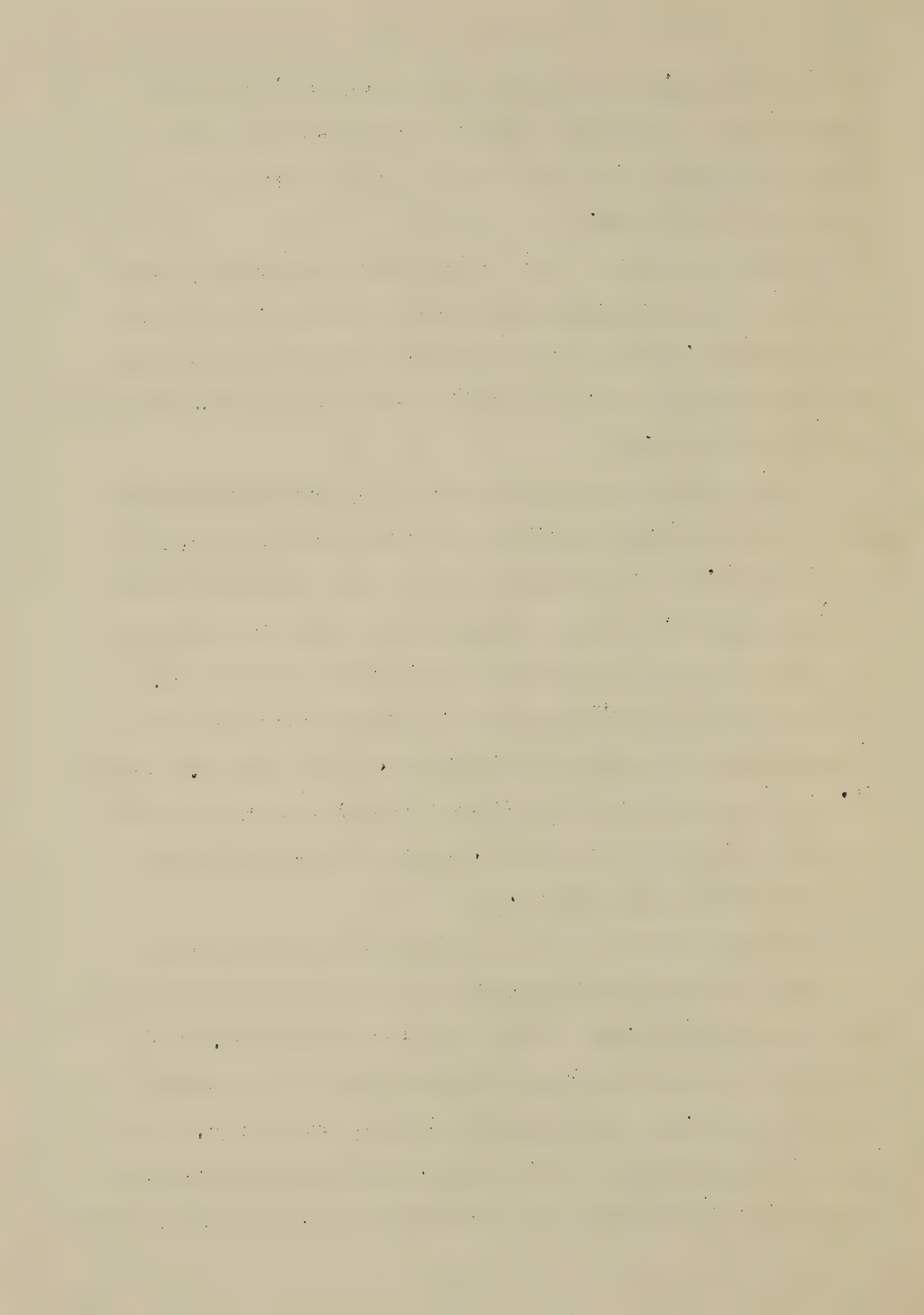


defense emergency, that we experienced in 1920-1933. This rapid upward trend in incomes at a time when all labor and industrial incomes are high can very easily result in a repetition of the period from 1917 to 1920.

The FSA can do a great deal for the lower income groups to lessen the impacts of post-defense through keeping the farmer's operations well diversified, through holding down inventories and debts during the period of high prices, and through building maximum self-sufficiency in all farm families.

It must be remembered that the effect of higher prices on farmers with limited production is entirely different from their effect on large operators. The small operator has a comparatively small amount to sell at any time, and as a consequence the increase in prices for his saleable produce does not amount to a large number of dollars. At the same time, his operating expenses are increased because of the increased prices on anything he must purchase. The net income, therefore, of a large number of farm families will be less in this period of higher prices than it was formerly, unless the non-cash income of the family is greatly increased.

FSA records show that in the past there were many applicants whom this agency was unable to assist. This was due to various causes, among them lack of funds, lack of time, and lack of personnel. In a great many instances subsistence grants were used as a stop-gap to tide these families over. Many of them are still on the ragged edge, and more in need of assistance than ever before. In most cases their resources are very limited, both as to land and chattels. These families



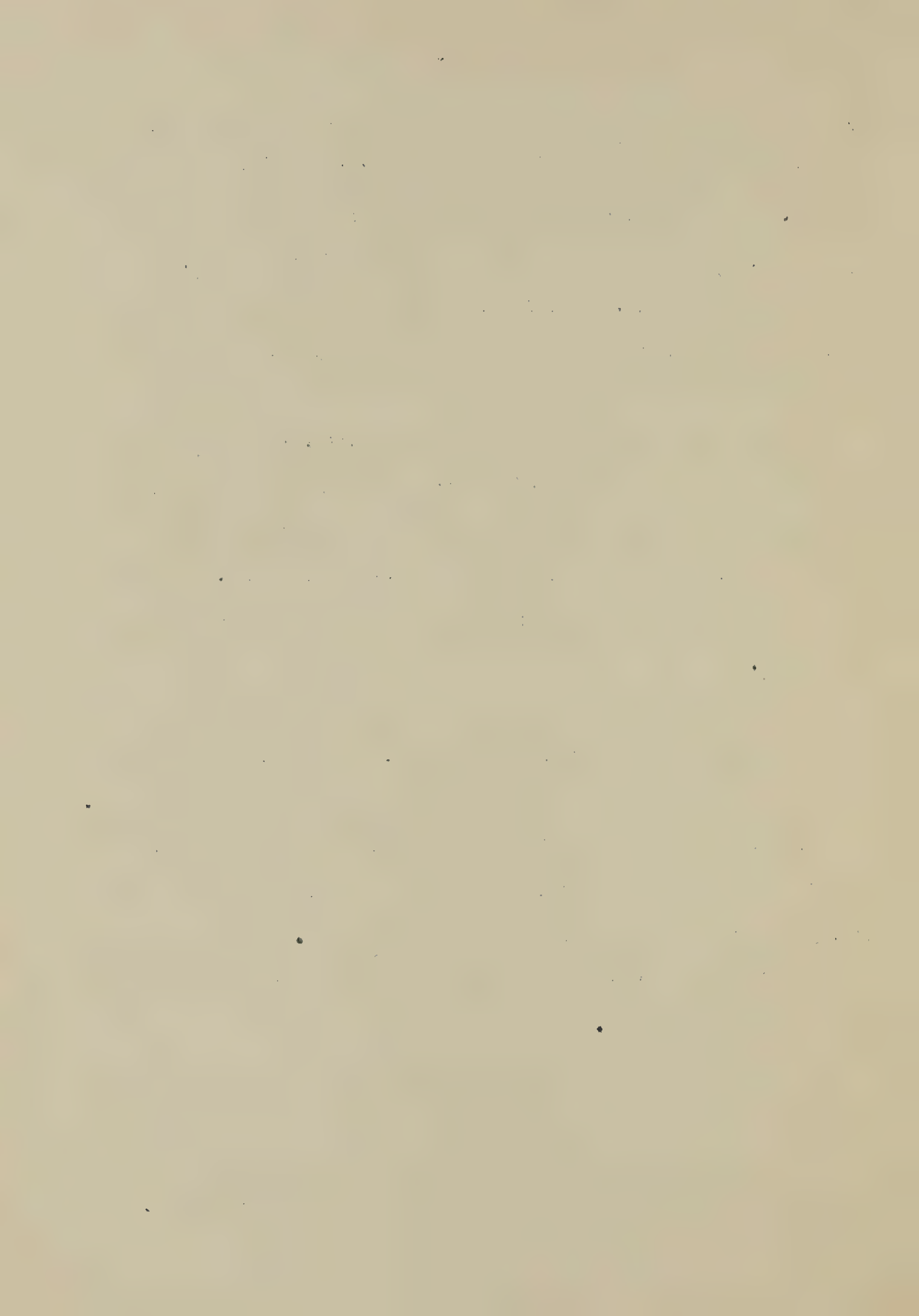
require considerably more time and effort than those in more favorable circumstances in the development of their initial plan to substantiate a loan. More supervisory time will be required to get the plan into operation, and the family actually going under its own power. Regardless of this fact, these families must be helped and not left to slip further back and create a far more serious problem than we have today.

In addition to the problems of these families, the FSA is faced with two new situations created or accentuated by national defense. The first one of these is the displacement of farmers when defense industries buy good farm lands for the erection of plants. This creates primary displacement of the families living on the area depopulated.

Owner-operators in these areas usually have sufficient funds to go to new locations and purchase new homes. Tenants are less fortunate, and are faced with a serious problem in finding other locations.

Then there is the related second problem - that of the people leaving the land in the defense project and either buying or renting farms from other families outside the defense area. These secondarily dislocated people are frequently much harder to locate and assist than those directly affected.

The problem of primary defense dislocation is not as yet very large in this region; but we do have a much larger and less dramatic problem arising from the displacement of families by economic forces which are felt in these periods of defense-generated artificial prosperity.



The problem of relocation and readjustment of families directly or indirectly affected by government acquisition of farming areas for defense industries is distinctly different from the problems brought about by general disruption of economic forces due to far-flung national defense activities. For this reason it seems best to give them separate attention. This statement therefore, is offered in two different parts.

First, under "Findings of the Farm Security Administration Field Survey", the impacts of the defense program on American agriculture in general will be discussed. Then follows, under "Defense Relocation", a discussion of problems arising from government acquisition of farm lands for defense.

II

FINDINGS OF FIELD SURVEY

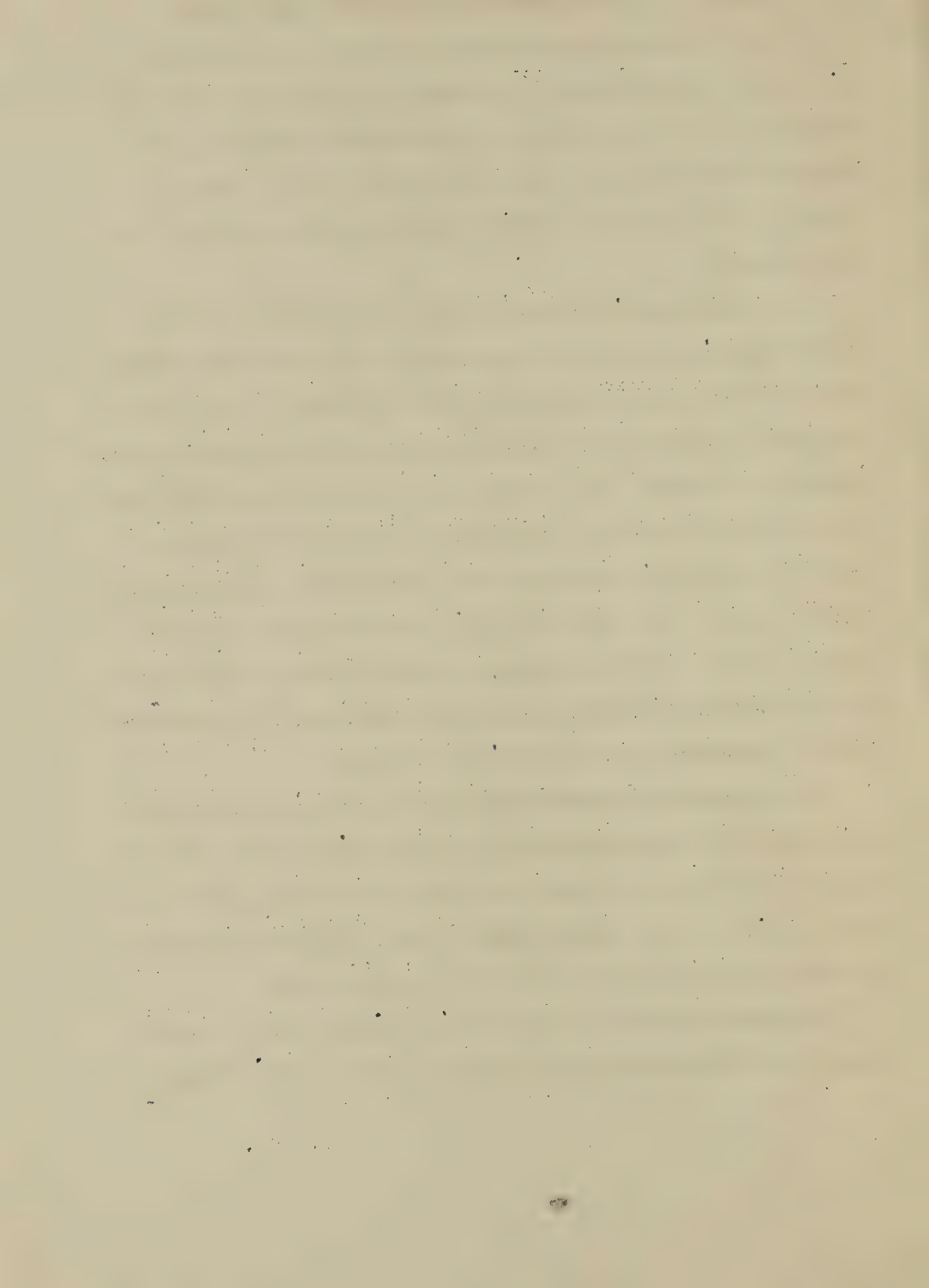
II. FINDINGS OF THE FARM SECURITY ADMINISTRATION FIELD SURVEY

In order to determine as accurately as possible the number of farm families being affected by the various economic forces now being speeded up by defense activities, a questionnaire (Exhibit 1) was developed and sent to the field. It was sent to each of the 296 counties in the region, and 276 were returned in time for tabulation in this report.

In this questionnaire the most attention was given to families of Farm Security Administration borrowers for the reason that through county offices accurate information could be gathered on the borrowers whereas information on non-borrower families would be more or less estimate and hearsay. This is true because borrowers immediately come to the supervisor with their problems, and the matter of tenure is one of the most serious problems facing Farm Security Administration borrowers today. The farmer who is not a borrower has no one comparable to go to with this problem, and such families will only come to the attention of the Farm Security Administration, if they realize that the supervisor may be of assistance to them.

The information on borrower families was broken down into several categories. First consideration was given to those families whom the supervisor knew definitely would be displaced from their present location by the sale of a farm by March 1, 1942. Additional information was taken as to the type of seller and the type of buyer.

Consideration was next given to those borrowers whom the supervisor knew would definitely be displaced by March 1, 1942, through



having their farm rented away from them by some other tenant, and several major reasons were classified for this displacement. A final estimate was made on the lag in leasing to borrower-tenants, and an estimate was made of what would become of the families who were displaced following March 1st because of inability to rent a farm.

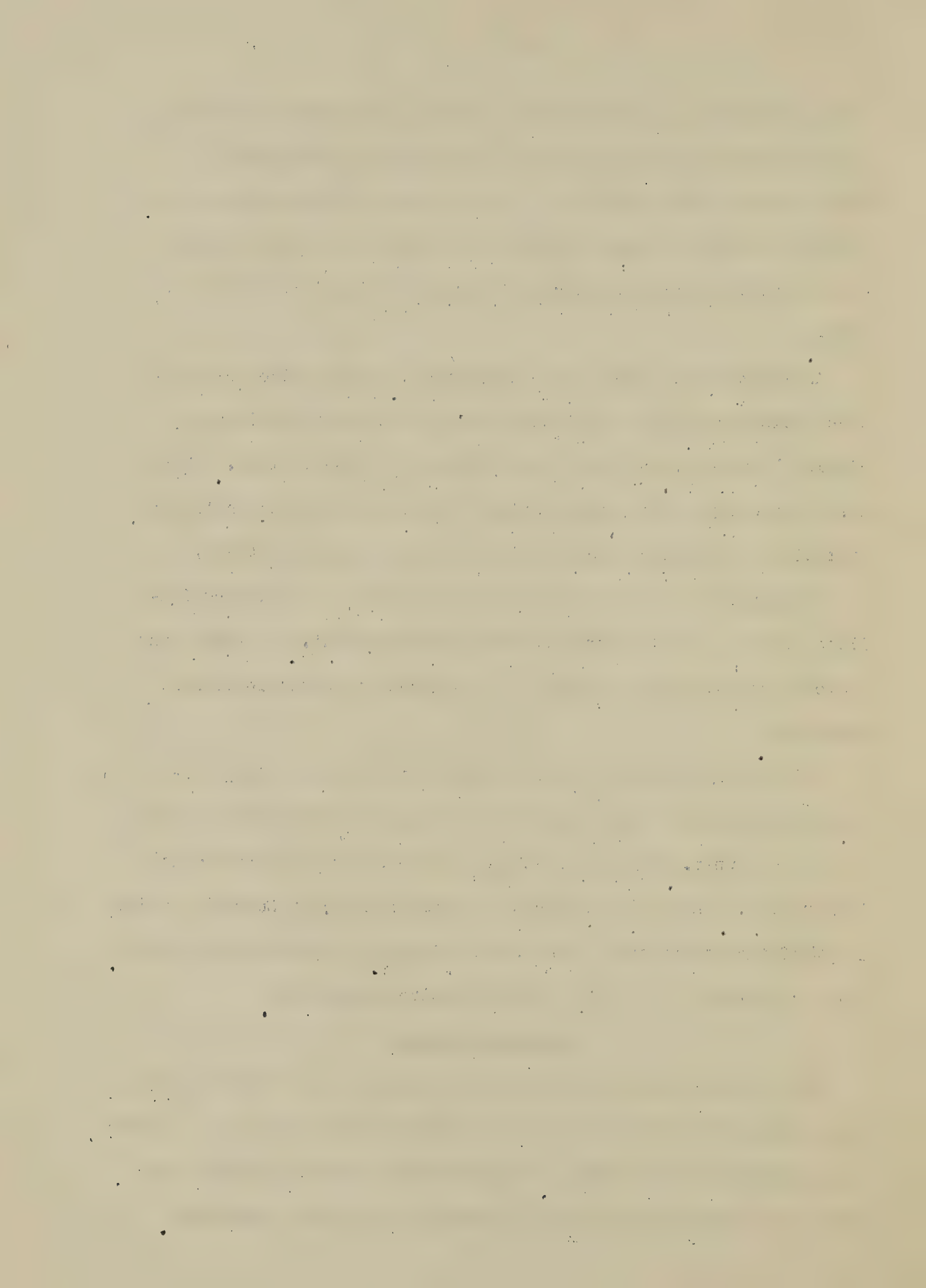
An estimate was made by the supervisor, with considerable outside assistance, as to the total number of all farm families, including borrowers, who would be displaced by March 1, 1942. As has been previously stated, this estimate is not as accurate as the information on borrowers because of the lack of direct contacts.

Finally an estimate was made as to the number of all farm families who had left the farms for defense employment. No family was listed here unless the entire family had gone to urban industrial activity.

This survey shows that we now know that a total of 1553 borrower families must leave their farms because the farm has been sold to another owner. This is 4% of all active standard borrowers in this region. The number varies by states from 307 in Nebraska, which is 3% of the active case load in that state, to 524 in South Dakota, which constitutes 6% of that state's active case load.

Unwilling Owners

The type-of-seller breakdown shows that nearly 60 percent of all farms being taken from FSA borrower families have been sold by government agencies to new owners. Throughout the region, insurance companies are generally following the lead of government agencies.



The uptrend in agricultural commodity prices has created the first active market for land that these companies and agencies have experienced since acquiring their land. They are taking advantage of this condition;

It should be explained that these institutions and agencies are unwilling owners of their land. Mortgages were taken on this land with the expectation that the debts would be retired in an orderly manner. It became necessary, however, for the mortgage holders to take the land in lieu of the money.

Restrictions on Corporate Owners

In addition to this, certain state laws prohibit insurance companies, and in some instances all corporate owners, from holding land for more than a given period of time. In North Dakota insurance companies are not allowed to hold land for more than two years after they have acquired title, except through special permission of the insurance commissioner, but in no instance may this land be held for more than ten years. In South Dakota and Kansas insurance companies may hold land for five years, and may have an extension granted by the commissioner of insurance. In Nebraska insurance companies may hold land for five years and the Department of Trade and Commerce may extend such period a reasonable time, but not exceeding seven years.

It has been suggested that a solution to a part of this problem would be national legislation permitting insurance companies, and other investors of funds for large groups of individuals, to hold land as a permanent investment, with such legislation imposing definite control over size of operation and permanency of tenure. These companies

are now permitted to own bonds of the national government, and of states and divisions of states. The only final security back of such bonds is the country's land. Certainly it is not illogical to assume that the land is as satisfactory security for these investors as are bonds--which are actually mortgages on this land.

It certainly seems that legislation is necessary which will establish a uniform policy among government agencies to permit stabilization of land prices and tenure. Such legislation would alleviate at least 50% of this particular problem in this region.

Types of Purchasers and Vendors

When we study the type of individuals purchasing this land we find that a large percentage of the farms are being purchased by other farmers; almost 1/3 of these purchases are being made by tenants who are to become owners. This purchase by tenants is much more common in the Dakotas than it is in Kansas or Nebraska. This can probably be explained to some extent by the fact that corporate ownership is much more prevalent in the Dakotas than it is in the other two states; and that these corporate owners are exerting considerable pressure through refusal to lease, thus convincing the tenant that it is necessary for him to obligate himself to a sale contract in order to have a place to live.

Sales Contracts

Considerable concern is felt by many interested persons over these land deals on sales contracts, because of the fact that it appears that the price being paid for the land is based on 1941 yields and prices rather than on long time experience. These contracts are

drawn in such a manner that a very small down payment is made, with provision that after a certain period of regular payments including taxes, insurance and interest on the entire balance due, a deed will be executed and a mortgage drawn. These contracts also provide that if these payments are not regularly met, up to the time of issuance of the deed, possession immediately reverts to the vendor. There is a possibility that these lands are being conveyed under contract with the vendors knowing full well that in many instances the contract will not be fulfilled. In such instances, corporate owners will have the land off their books for one or two years and can then return it to their books, with no expense of foreclosure, for another period permitted by the particular state's law.

One county supervisor makes the remark that in his county most of the displacement results from present tenants making down payments on more satisfactory units. Since the carrying charge will probably prove to be beyond the normal ability of the land to carry, most of these places will revert to the original owner. Another supervisor states that many of the sales are being made because of better than average yields and prices, and that by letting all other creditors go, it is possible for the tenant to make a 25% down payment. With the return of normal yields and prices it is doubtful that the land can carry the charges and meet the costs of necessary repairs and improvements for minimum housing of family and stock. Another statement is that land purchases are being made mostly by tenants seeking homes. These people are not anxious to buy, but are being forced to in order to have places to live. Several supervisors stated that governmental agencies are the most aggressive of all land agencies in forcing sales of farms.

In this survey consideration was given to the type of purchaser as well as to the type of seller, with particular stress laid on purchasers who were or would become owner-operators.

Regardless of whether the purchaser was buying adjacent land or non-adjacent land, there was certain enlargement of the unit, and it is entirely possible that this enlargement meant either a change from family type operation to commercial operation or enlargement of a commercial operation. In practically every instance such a purchase means the displacement of families from the farm and sending these families into urban life and factory employment for which they are not well adapted.

It is also entirely possible that this enlargement of units will cause a serious problem after defense, when large numbers of discharged factory workers will wish to return to the land and there will be a decided lack of units for them to occupy.

The purchasers of non-adjacent lands are, on the whole, probably more insidious than the purchasers of adjacent land. In this class fall the so-called "sidewalk" or "suitcase" farmers, whose only interest is in mining the land and getting maximum cash returns for as long a time as such a type of farming will show a net return. When this is no longer possible they will abandon the land for some other family to repair. Some of these men own mobile units, moving their equipment over a territory of as much as two or three hundred miles in radius, and displacing a family from every piece of land they rent.

Many business and professional people are purchasing farm lands with surplus funds as genuine investments. There are also some farmers

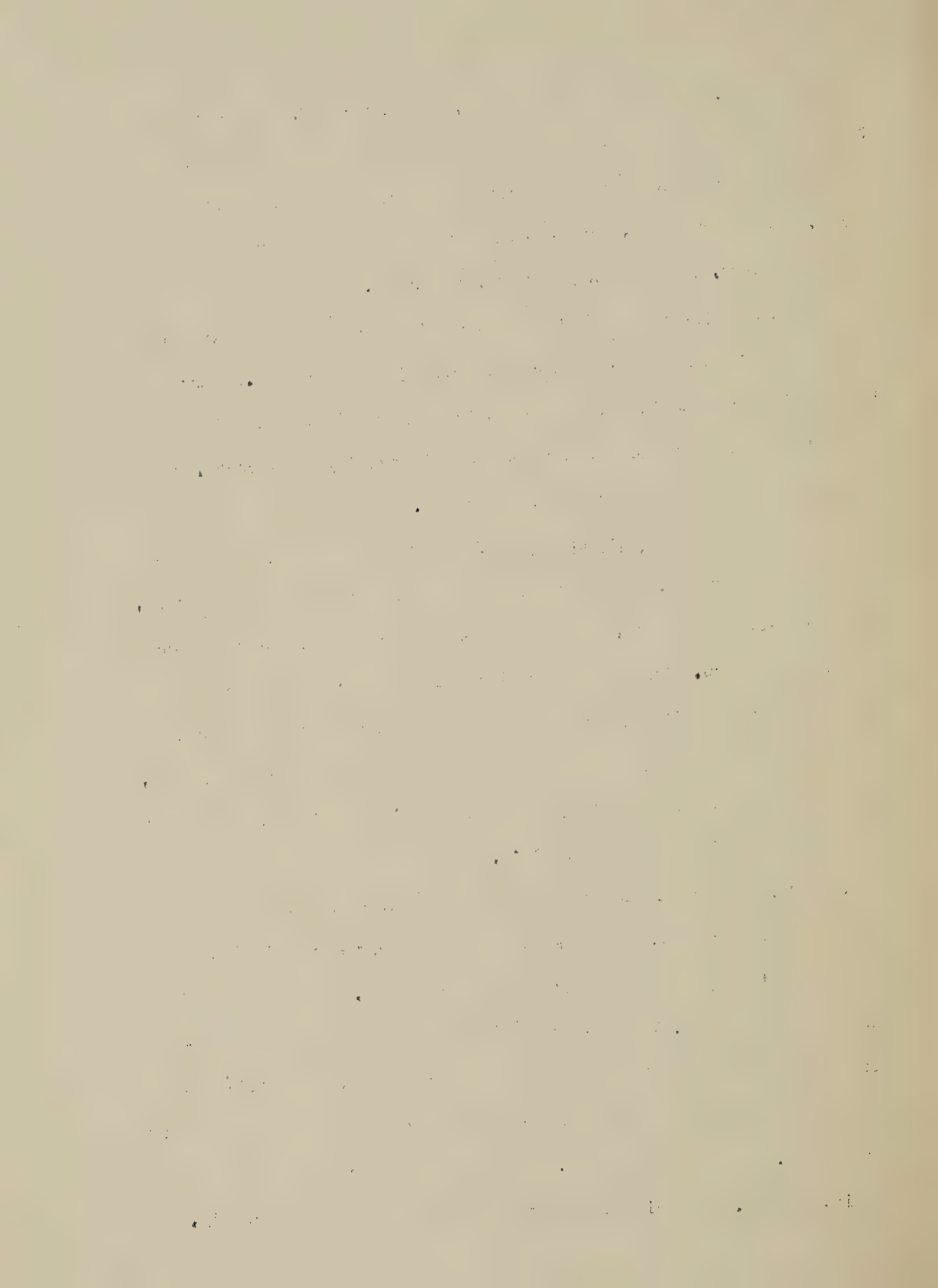
in this class. This type of purchase, in most cases, does not mean the displacement of a farm family because these people generally have other occupations and wish neither to reside on nor manage the farms. Such purchases, however, may mean a change in occupancy due to friendships, relationships or other reasons.

The final type of purchaser is the speculator who is buying the land only with the hope of a further raise in land prices. Purchases by this type of individual may not cause any displacement of the present tenant, but they do lend to much insecurity and unrest, and certainly cause an increase in land prices.

A Return to 1917-20 Trend

This pressure for land and anxiety on the part of owners to sell, and of non-owners to buy, is a return to the early part of the trend from 1917 to 1920. Unless some rather definite steps are taken to avoid inflation in land prices and to prevent unnecessary transfers we may see prices as badly out of line as they were in 1919 and 1920, and may again have to go through the same period of foreclosures that we went through in the 20's and 30's.

A question that should be raised in the minds of all peoples interested in agriculture is whether or not we have any right to expect land to pay for itself over and over again. From the standpoint of such a view, land can be considered as a speculative commodity and people will be justified in buying land on a small down payment and expecting the income from that land to retire the mortgage on the land. On the other hand, if land is to be considered as a safe investment, returning interest in proportion to the security,



the only sources of debt-retiring income for land, purchased at its agricultural value, must be found in either superior managerial ability or outside income.

Secondary Displacement

The next part of the questionnaire dealt with the secondary displacement of Farm Security Administration borrowers. This referred to borrowers losing their farms from causes other than purchase of land on which they were residing. While this is an estimate, it is undoubtedly very accurate because of the close contact between borrowers and supervisors.

This shows that 1823 borrowers are being displaced due to such causes in the region, which is 5% of all borrowers in the region. This type of displacement is heaviest in the State of Kansas, where over 6% of the borrowers are being displaced by such methods, and is lightest in North Dakota where only 4% are being displaced for these reasons. Nebraska and South Dakota each show about 5%.

(From these two causes of displacement of borrower-families from their farms we know now that nearly 10% of all active standard borrowers of the Farm Security Administration in this region will be displaced from their farms by March 1, 1942, and a map showing percentage displacement by counties is attached as Exhibit 2.)

Increased Pressure for Land

This type of displacement has been due to three main causes. The first and major cause is the increased pressure for land, due to sale of farms that other tenants were occupying, and these displaced tenants having, in turn, been able to rent farms away from the present

occupants. Another type of this same pressure for land is that which results from the large operator continually looking for more land and being able to over-bid the present tenant.

Farm Security field personnel have considerable to say about this second point. The consensus is that the tenancy problem will become more acute with good prices and good crops; that large farmers with equipment for large scale operations are going to push the small farmers out. Prevailing prices of farm produce encourage large operators to expand. During the long period of unfavorable weather conditions, those with power equipment have been able to get their crops planted in less time, and generally have received better yields, and therefore, paid better rent. Another reason given is that landlords are not interested in making improvements whereby farm families can establish a home on the average unit. The line of least resistance seems to be to rent to the large operators.

The chief cause of displacement in many counties is the practice of large operators continually looking for more land. Landlords prefer to rent to these operators because they have good equipment and, in many instances, give cash rent in addition to the share. These landlords, after leasing to such operators, are then free to remove buildings and cross-fences. A supervisor in the wheat area says that farms of 1000 acres and over have increased 50% in number and the family sized farms have decreased, that many farmers are renting additional land, particularly where landlords will not spend money to repair improvements. This shortsighted policy will result in eventual deterioration of the land. This deterioration finally will

necessitate returning to family sized units, and a long period of low returns while the land is being rebuilt.

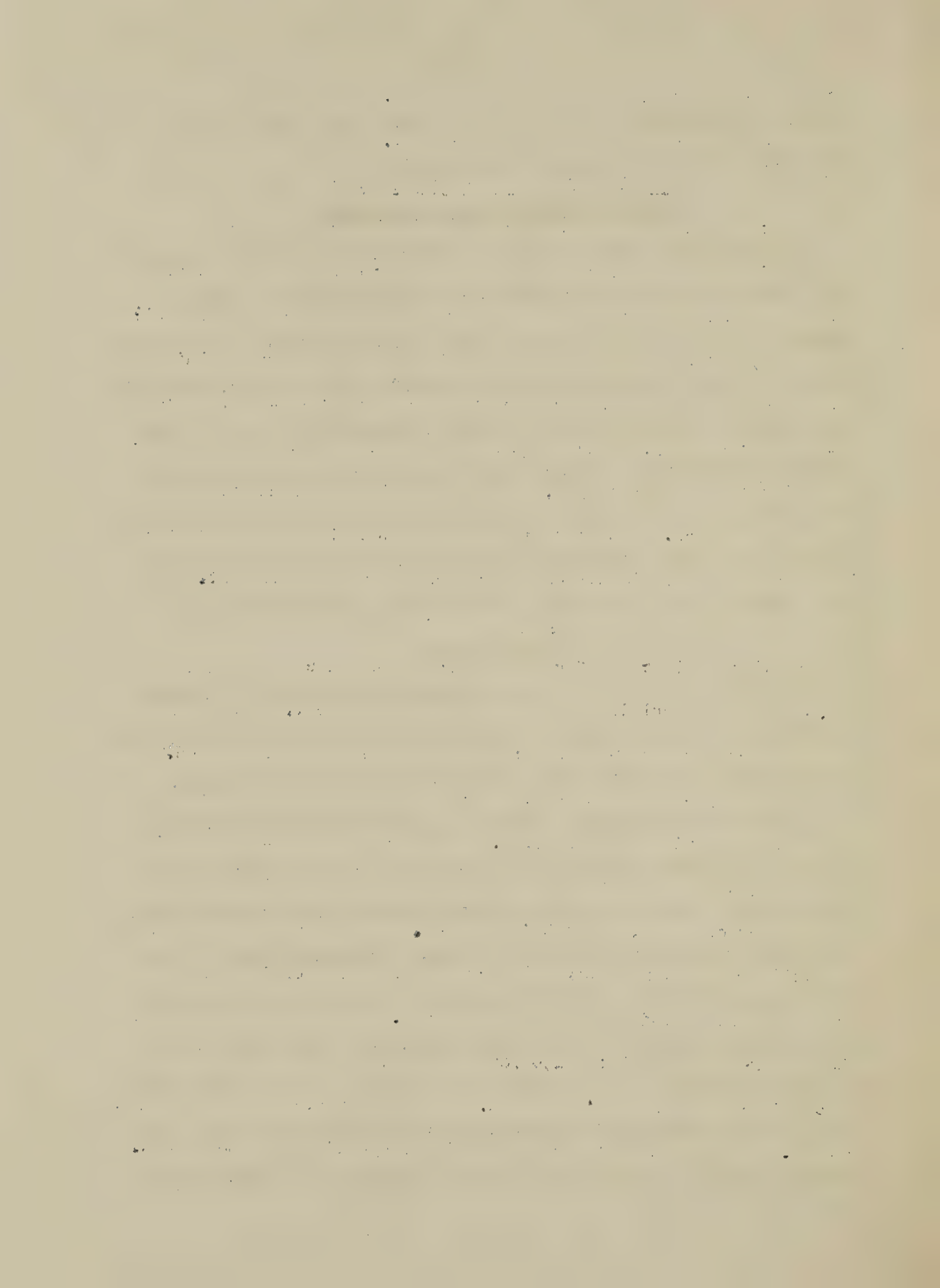
Landlord Demand for New Equipment

A second reason given for such displacement is landlord demands for a different type of equipment than that possessed by present tenants. During the past drouth years land owners were not severely critical of poor equipment and poor care of land and crops, but with the change in the agricultural picture landlords are selecting tenants more carefully. Many are insisting that farmers cannot properly do their work with horses, and have asked them either to purchase a tractor or move. Many tenants have not been able to rent certain units because they did not own a tractor and heavy equipment.

Higher Rents

The third main cause for this secondary displacement is farmers competing for a certain farm and bidding up the rent, or landlords increasing the rent because they realize the demand has increased.

A rather general opinion prevails in the field that insurance companies are raising their rents, and there is also quite a little comment on the fact that some insurance companies are insisting that this higher cash rent be paid in advance. The eastern side of the region in particular is being affected by families coming in from drier localities and offering higher rents. One such family bid up the cash rent from \$50 to \$150 for the buildings on an 80 acre farm which, in the supervisor's opinion, can not possibly carry this higher rental. Rentals on grass lands are also increasing to some extent.



Rental rates prior to this increase were as high as tenants could pay and show any return for their labor. Increase in yield and prices has been largely offset by increased cost of production, and these higher gross returns do not justify any further increase in rental rates.

In the last few years the chief cause of many failures has been the attempt on the part of the tenant to pay too high a rent. Many sound thinking agricultural people are of the opinion that entirely too much of the farm family's standard of living has been converted into too high a rental.

Lease Contract Important

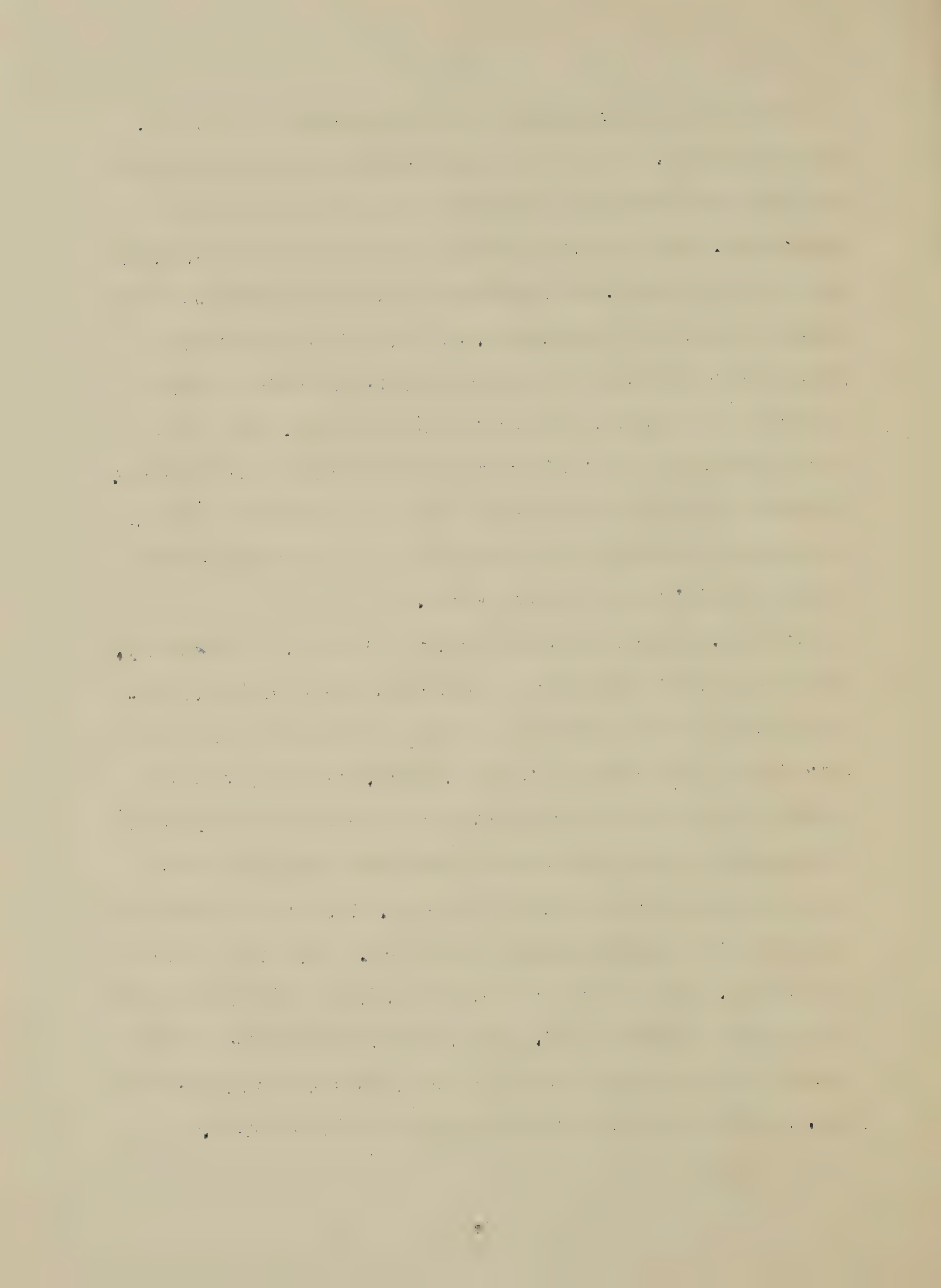
The next part of the questionnaire deals with a bad situation in leasing which has caused much hardship and unrest. When a family is unable to secure a lease before January 1st or March 1st, and has no assurance that it will be able to lease the farm at that time, necessary Fall work in a great many instances is not done. This is due to the unwillingness of the present tenant to do work he feels will be done for some other person. With the individual who is willing to take his chances on staying on the farm and then is forced to move, this work is thrown away. In the majority of instances this also means an actual cash loss to the displaced tenant.

When a move is necessary after March 1st, spring work is necessarily very late, and usually results in a certain amount of loss to the tenant his first year on the place.

This delayed leasing breeds restlessness and discontent in families, and bring a general feeling of insecurity and more or less of a "don't care" attitude.

Long tenure is advantageous to both the landlord and the tenant in many ways. In the first place it permits long-time planning and allows both tenant and landlord to know such plans will be carried out. Such long-time planning is necessary to a satisfactory soil building program, which certainly works to the advantage of the landlord as much as to the tenant, and will not be properly done unless the tenant knows that he has a sufficient length of tenure to permit him to realize the benefits of his labors. Long time leasing encourages the family to keep up buildings and surroundings. It permits the families to develop a feeling of permanency and lets them realize the truth of what one poet so aptly stated: "It takes a heap o' livin' to make a house a home."

Actually, ownership in itself is not so important as permanency. Its contribution to permanency is important. Large numbers of tenants realize that the net return to the landlord is not a very large percentage on the investment in the property. They feel they are probably better off paying the rental rate on the land and providing a satisfactory living for themselves than they would be as owners diverting a considerable part of the income, which now provides that standard of living, into payments on the land. They only feel this way, however, when they know that they can stay on this farm as long as they do a satisfactory job. When landlords and tenants can both be made to realize that permanency is one large factor in returns on land, much of our problem of tenant migration will be solved.



Drive 700 Families to Relief

A further study was made in connection with these borrowers who will be unable to secure leases for 1942 to ascertain the number who will stay in rural communities and need relief, and the number who will go to urban communities and, of these, the number who will need relief. This survey shows that the relief rolls in these four states will be increased by approximately 700 families due to displacement of tenant farmers who are now borrowers of the Farm Security Administration.

The Farm Security Administration could take care of all of these families and assist them in becoming self-supporting if land were available for them. This would not only mean an actual dollars and cents saving to the country in relief money, but would also mean the building of much better morale in the families, and particularly it would mean building in the children of these families a better outlook on life.

Lack of Housing is Obstacle

Probably one of the biggest obstacles to the Farm Security Administration performing such a task is the matter of rural housing. There would be ample farms available if they were provided with suitable housing for families and livestock. There is a very real necessity of a rural housing program which must come eventually and the sooner such action is possible the fewer families will have to go through a very trying time off the farm before they can be returned to the land.

Such a program may necessitate the government owning the buildings on the land and collecting rental for these buildings directly from the tenant in payment for building occupancy. Such a program could immediately make many more farm units available and could largely pay for itself by reduction in rural and urban relief loads. The government could require certain leasing concessions which would lend themselves to permanency and would greatly alleviate tenant migration. A program of this type would considerably accelerate the soil conservation program; and while we are considering soil conservation let us also consider the enormous amount of soil conservation that could be accomplished in these families.

Supervisors have a great deal to say in their remarks on the matter of housing. One general statement is that buildings have been torn down to reduce taxes and cost of upkeep; that housing is a serious problem on many farms and present owners are not in a financial position to repair or replace necessary housing facilities. During the drouth and depression years many abandoned farms were pilfered, which led landlords to sell buildings in order to avoid a total loss. These farms are now without headquarters, which is resulting in a lack of home sites for available land. If the Farm Security Administration could finance the construction of moderately priced farm buildings, much could be accomplished in holding down the cost of improved land; and the displacement of families desirous of continuing farming could be avoided.

In considering all farmers in the region, including Farm Security

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Administration borrower-families, it appears that there are over 10,500 farm families who will be displaced from agriculture in these four states by March 1, 1942. This is nearly 7% of all tenants in the region. The numbers of all families being displaced are higher in Kansas and Nebraska than in the other two states, but the percentage is about the same for all four states. A map showing this percentage distribution is attached to this testimony as Exhibit 3.

The reasons given for the displacement of borrowers are all applicable in the case of all farmers, and in all probability in a magnified degree because of poorer equipment and financing.

Housing Would Facilitate Rehabilitation

It must be realized that if these people, who are not now borrowers of the Farm Security Administration, could have held their units regardless of how small, the Farm Security Administration could have assisted them in obtaining the equipment and livestock necessary for a good living. The supervision given by the Farm Security Administration would have eventually assisted these people back on their feet, and made satisfied constructive citizenry of them.

Present standard borrowers are not so severely affected by this pressure for land as are applicants for loans and young couples with farm background desiring to start farming. With these families gone from the land, and with the buildings torn down by the landlord because he can show an immediately higher net return renting to the large operator who has no need of buildings, the problem of the Farm Security Administration is eventually going to be much larger. This

is true because these families are finally going to have to return to the land and be financed for complete equipment. The sooner some method of government financing or subsidy of needed farm buildings can be put into effect, the more satisfactory our answer to this problem will be.

Migration from Farm to Defense Industry

In many instances individuals from farm families are leaving for defense work, but the family itself is remaining on the farm. This number is much more pronounced, of course, near factories than at greater distances. Our interest, however, lies in the number of whole farm families that have left farming for work in the defense industries. Only those cases where the entire family has left the farm for defense work were listed in the questionnaire.

There seem to be two general motives back of this movement. The most predominant condition is that in which the family has been forced from the land and must find another means of existence. They do not care for factory work and would much rather stay on the land but they have no alternative. The second general cause is the lure of high wages afforded to the family that has no knowledge or realization of the money requirements they will have for commodities formerly produced by them on the farm. They fail to realize that they will have little or no more net return from these high wages than they have previously experienced on the farm. Both of these motives undoubtedly affect the low income group and the tenant more than they affect the high income group and the owner. The immediate benefits to the family forced from the land are satisfactory, in so

far as they provide a means of livelihood which has previously been taken from the family. Whether or not general results will be satisfactory to the second group or to the entire number, in the long run, depends largely on how high living costs go in relation to wages.

One group that is realizing real benefits from this defense work is a small group farming near defense industries where one or more members of the family are able to work temporarily in the defense industry for relatively high wages, while the family still remains on the farm.

Eventual Return to the Farm

A large percentage of all farm families going to defense industries will return to agriculture sooner or later, because they are not accustomed to this sort of life. The older people in particular will be very dissatisfied. Numbers of the younger people will see that they have sacrificed most of their independence in going into industrial activities, and will desire to return to the farm where they can have their own businesses and be their own bosses.

Eventually defense activities will cease, or at least greatly lessen. When this time comes, large numbers of workers will be dismissed from their jobs; will have no other possibility of income in urban areas, and will look upon return to the farm as their only means of securing a livelihood. There will be large numbers of these people who will have been away from farms for a good many years. Because they will have been willing to stay in industry they obviously will

have had no particular desire to continue in agriculture. The only source from which the vast majority of these people will be able to obtain help will be the Farm Security Administration. In addition to credit they will be very greatly in need of the supervision of the FSA because of changes in methods and practices, and because of disappointment and loss of morale.

FSA Should Be Ready

To place itself in the best possible position to meet these approaching conditions effectively, the U. S. Department of Agriculture, through the Farm Security Administration, should anticipate the emergencies that will arise. The Farm Security Administration should incorporate preparatory action in its program at once, in order to be absolutely ready for positive action when the return movement from defense industry to farm begins. Specific provisions should be made for acquisition of suitable land and homes, by long-term lease or purchase, to be made available for those returning to agriculture or to those who otherwise will be displaced by that mass return. Farm Security can foster and develop means for this purpose in various ways, including establishment of cooperative leasing associations, land tenure improvement groups, surveys to find available farm homes, rural housing programs, other kindred resettlement measures, and expansion of present resettlement facilities.

National Defense and the FSA Program

In so far as we are able to determine, the defense program has not, as yet, had any great effect upon liquidations of FSA borrowers. Referring to Exhibit 4, the comparison of the first three months of

the fiscal year from July 1, 1940 to October 1, 1940 with July 1, 1941 to October 1, 1941, discloses a rapid rise in the number of liquidations that have paid in full. While this is an increase of nearly 600% in voluntary liquidations that have paid in full in this region during this 90-day period, actually it is less than 150 cases.

This number could very easily be accounted for by liquidations of borrowers who are in fairly close proximity to defense factories. It should also be remembered that quite a number of these liquidations could be accounted for by factors not under control of the borrowers, rather than a desire on the part of the borrowers to leave agriculture and go into industry. One such situation called to our attention is of a family operating a dairy farm, paying \$600 annual cash rent for 120 acres. The landlord raised the rent from \$600 per year to \$1000 per year. He gave as his reason for this rental increase the fact that it was possible for him to rent the house for \$75 per month because of the nearness of the place to a defense plant, and that in addition to this he could rent out the land for the usual share rent. He, therefore, did not feel that he was unreasonable to ask one thousand dollars per year for the buildings and land. This family did not wish to give up its agricultural enterprise, but was forced to do so because of the high rent cost.

While we have had the above mentioned change in voluntary liquidations that have paid out in full, there has been no appreciable change in other types of liquidations; although the average amount of repayment has shown some increase due to better agricultural prices.

The total number of liquidations approved has also shown very little total change for the 90-day period. There has been, however, a rapid rise in this number during September, most of which is accounted for by the voluntary liquidations which have been paid in full.

Referring to Exhibit 5, and combining new loans approved with liquidations closed, we find a small net loss in case load from 1940 to 1941, in each month of this three-month period. This is due to a small decrease in liquidations previously mentioned and a net decrease of 305 cases is shown for the entire region in the three-month period.

The question is immediately raised as to whether or not defense employment is causing this decrease. As this condition is so extremely limited to Kansas, and as all of the defense industries in this region are at present located in that state, we believe that there are some effects being felt in the neighborhoods of defense industries.

Supervisors over the entire region are of the opinion that very few families are leaving farms to go into defense industry. However, some supervisors in Kansas express the opinion that 75¢ to \$1.50 per hour is very attractive to persons accustomed to a dollar a day, and even that available only when they could find occasional jobs. Four Kansas supervisors report fairly large numbers of farmers leaving agriculture for defense industries, and these four supervisors all have defense industries located in their own or adjoining counties.

Reports in other states are largely to the effect that only farm boys and farm laborers are leaving rural communities for defense industries, and that in some localities this may cause a shortage of farm labor; but the bulk of the opinions seem to be that there is no great amount of interest among farmers in defense jobs. Much greater interest is being shown in remaining on the farm to take advantage of higher prices for farm produce.

Concerned with General Defense Impact Rather than Case Load

Rather than being concerned with the immediate measurable change in net case load, the FSA is much more concerned with the broader aspect of the effects of defense on the great mass of low income farm families.

There are large numbers of farmers who are in need of more livestock if they are to be able to survive in agriculture through the defense period and to face the impacts following defense. This is particularly true because the rapid rise in cost of producing cash grain crops as compared with the returns from such crops leaves the farmer little or no net return. On the other hand, if he has sufficient livestock to consume feed produced on most of his acreage, and in this way markets his crops through livestock and livestock products, prices on this type of production are such that he is able to show a net return. Large numbers of farmers who will find themselves with little livestock have no other source of credit than the FSA and must obtain necessary financing from this agency. In addition, large numbers of these people have had little or no experience

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in handling livestock or livestock produce, and if they are to make a success of such an enterprise, they will have much need for the supervision that is furnished by the FSA.

There is another group of individuals who, through continued moves as tenants, or through being forced to purchase land in order to stay in agriculture, have so depleted their livestock and equipment to raise cash, that they must have this equipment and livestock replaced in order to continue farming. Many of these farmers are in such a credit situation that the FSA is their only credit source, and unless the FSA is in a position to assist them, they will still be forced from agriculture after spending all their resources in an attempt to continue in this way of life.

Emphasize Rural Housing

May we call attention again to the extreme need for a rural housing program and for the inception of that program at a very early date, if we are to keep large numbers of these families in agriculture rather than let them migrate to an urban life for which they are so ill-suited. Unless such a program is instituted without delay, there is danger of the "Food for Freedom" program running into serious difficulties. This is because large operators cannot possibly meet the demand for the foods needed, particularly milk and poultry products, as can the family type farmer.

Direct Dislocation

There is another problem of the FSA which has been generated by defense, and has not as yet proved so serious in this region. However, as time goes on this probably will become continually more serious

because of location of defense industries in this area. This problem is the dislocation of farmers from their land by defense industry and the consequent necessary relocation of these families. This problem presents many difficulties because of the rapidity with which people are evacuated from the defense area and the consequent necessity of extremely rapid relocation; this latter being greatly magnified by the enormous pressure for land.

There is also necessity for developing small acreages in defense areas for food production for the families actually engaged in defense industries. If these families had plots of ground sufficient in size to produce at least their vegetables and poultry products, it would mean the release of a great deal more food for export and army use, and would prove of great assistance in holding down prices.

Possibilities of Tenant Purchase Program

There is also the possibility that the tenant purchase program should be greatly expanded to assist in the relocation of families, particularly tenants, moved from defense areas. This program is now on its fifth year, and up to this year there has been no difficulty in securing farms for which funds were available. Of course, the program is limited inasmuch as a total of only about eight million dollars has been used so far over that period of time, covering approximately 940 loans, or only one third of one percent of all the farm units in this region.

A summary of records indicates that the price per unit has not materially changed, as the average price per unit for 1939, 1940 and 1941 is about \$8500 each year. It should be said in this regard that

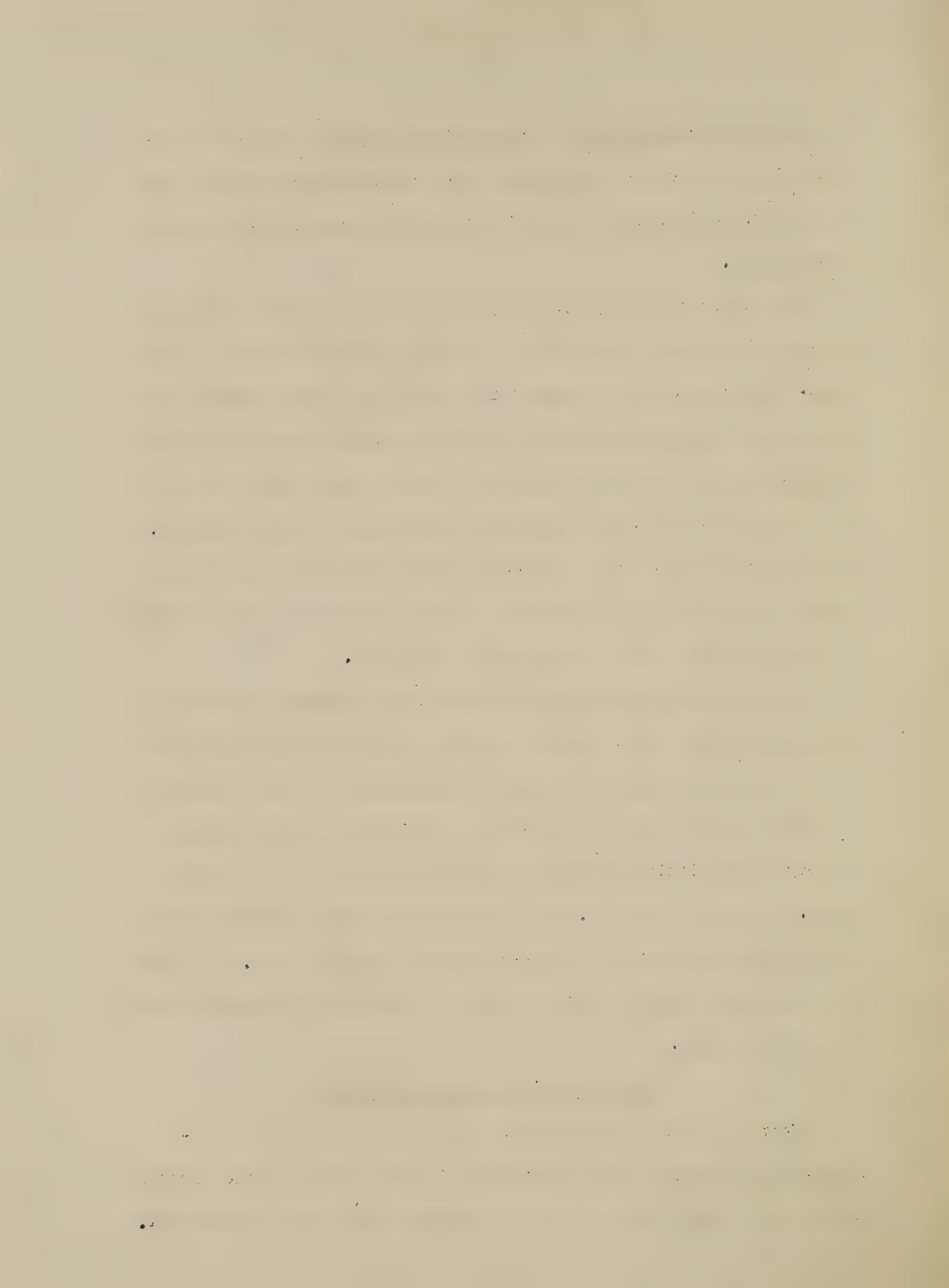
it has been necessary to do considerable shopping, buying from estates that are forcing liquidation and finding individuals who are in need of ready cash in order to hold this price per unit in line during 1941.

The number of applications has been fairly consistent from year to year, based upon the number of counties selected for the TP program. Although operation thus far in 1941 indicates a smaller number of applications per county than in the previous years, this can be explained by the fact that 29 new counties were added; which is the largest number of new counties in this region in any one year. It is apparent that there has been a fairly consistent relationship between the number of applications and the number of loans approved, and all the funds made available have been used.

To what extent land prices in general are advancing cannot be determined before the 1941-1942 program is completed, but it can be stated that indications are towards some increase in land prices. The field reports that it is now more difficult to obtain satisfactory units within the same price level than it was in previous years. There have been several instances where the vendors are willing to pay premiums for the cancellation of options taken, and vendors are more ready to revoke options at the time of expiration than in previous years.

Rehabilitation Loans, Repayments

Referring to Exhibits 5 and 6, we see that new loans for rehabilitation purposes have progressed at about the same rate through the 6 month period from April 1 to October 1 for both 1940 and 1941.



On the other hand we see that repayments have shown a very considerable increase. This increase in repayments has been due to several factors. In the first place it has been due to much higher yields of salable crops over the entire region than have been experienced in a good many years. Secondly, due to better crops, it has been possible for families to retain more livestock, to put them to higher weights before marketing, and as a further consequence, this has meant a considerable increase in the amount of livestock for sale. In the third place, much better prices have been received for both crops and livestock than have been experienced in a good many years. Such a condition is to be expected and merely represents an average of the poor years with the good. If better prices are experienced for a time, it will mean that over a 15 or 20 year period these people will show an average return in both yields and prices.

Most of the increase in repayments is from borrowers who have shown a normal rate of increase in repayments proportionate to the increase in prices for commodities, as well as a normal increase in production of livestock and livestock products due to increased inventories and improvement in quality plus better results from more feed, and possibly a small amount of surplus grain for sale. There is another group of borrowers who have had a bonanza in the high grain yield plus a high price for this grain, and are paying their loans in full. The first type mentioned represents a vast majority of the borrowers who, in all probability, will go ahead with some better-than-average and some poorer-than-average years, and eventually become

rehabilitated. The second group, however, have made this rapid rise on speculation and will sooner or later experience the opposite and lose their all on speculation, and be back to the FSA to give them another start.

In this second group the supervisor has not corrected the errors in the methods of operations of the families. In general they are not capable managers, particularly of money. Unless supervision is exercised until such time as these people realize how income must be handled, their increased incomes, particularly sudden large increases, are only temporary aids to them, and will lead to the accumulation of debts which cannot be repaid under normal conditions. The FSA has definitely proved its ability to train families to overcome this weakness, and these sudden large incomes merely mean a set-back to the rehabilitation of these families.

Where sufficient supervision is given low-income families, so that debts are paid rather than incurred in periods of high prices, self-sufficiency is improved and increased, even though cash income is showing an increase, and families are made to realize that periods of high yields and high prices are only peaks to be followed by valleys that make up the general average. This period of high prices, generated by defense, can be of considerable benefit to low-income farmers, especially when through supervision, they realize that periods of low prices inevitably must follow.

On the other hand, where supervision is lacking debts are incurred rather than paid. These debts are incurred through buying of land,

obtaining more machinery than is definitely needed, purchasing livestock above subsistence and operative needs, and spending a great deal more on family living and non-essentials than would ordinarily be done. This practice of going into a general expansion in an inflation period, on credit which will eventually have to be repaid with cash obtained on much lower commodity prices, can only result in final disaster for the family.

Make Tenure Possible

If the FSA is to alleviate many of the difficulties being experienced in low-income farm families due to defense, there must be a program that will definitely prevent any family wishing to stay on the land from being forced out of agriculture.

Census figures show that in the period from 1935 to 1940 there was a reduction of 11% in the number of farm families in these four states and with the increased pressure due to defense this reduction percentage will probably be considerably increased unless some very definite checks are developed.

Probably the first step in such a program would be the matter of rural housing. The lack of farm buildings, the poor condition of a large number of sets of buildings remaining, and the financial inability of landlords to replace or repair these buildings has already been discussed in this report. The desirability of federal action to replace or repair these buildings has also been discussed. Too much stress cannot be placed on the necessity of immediate action on such a program.

A second equally important step is the necessity for limitation to be placed on the acreage that can be operated by any one family in a given type of agriculture. Such limitations could be made a part of the present agricultural programs. Federal legislation should be enacted to put a stop to the "land hog". He is continually crowding families from land that would supply them with a satisfactory living into a situation where their sources of livelihood are very meager at best.

The fact should be mentioned that moves are often forced upon farm families on short notice. When these moves are caused by location of defense industries in more or less thickly populated farming areas, they increase the hardships in proportion to the numbers of families involved. This same mass effect is also applicable to the task of the Farm Security Administration in the relocation of these families.

Consideration must be given, too, to matters that will arise in the after-defense period. Closely related to these matters is the selection of locations for defense industries. If these projects can be located and built with a thought toward decentralization of industry after defense, it will be possible to work out a combination of industrial work and part-time subsistence farming for a large number of industrial workers. Otherwise, these workers with part-time employment will be concentrated in large urban centers, and their living level necessarily will be extremely low and unsatisfactory.

III

DEFENSE RELOCATION

III. DEFENSE RELOCATION

Displacement of farm families as an immediate result of the defense program has only recently been felt in this region.

First to be affected were 255 Kansas families who were farming the 50,000 acres now being acquired by the government for extension of Fort Riley and for a shell loading plant near Parsons. It is understood that government land acquisition will also begin soon in connection with a bomb loading plant near Wahoo, Nebraska.

Worries of Settlers

Early in the relocation program, prior to the dates originally designated by the War Department as evacuation deadlines on the two Kansas areas, the settlers called meetings to discuss their various situations. At these meetings they collectively brought out and aired many of their relocation worries. A list of the things that troubled the settlers' minds is recorded here; although most of them are discussed at other points in this statement, not as worries but as actual problems with which we are dealing.

Settlers gave first emphasis to social readjustments that would be necessary. They felt utterly lost because they did not have much idea, then, where they would go. They thought of uprooting families and breaking neighborhood ties, of school changes for their children, of church affiliations and so on.

The land owners were confused on the point of what they would get for their land. Tenant farmers wondered what they would salvage out of their past years of labor. They were concerned about saving and handling their crops and livestock.

Farmers did not know when they would get the money from the sales of their farms.

The problem of livestock and feed loomed large. They didn't know whether they should sell their stock or keep it and take chances on finding temporary quarters for it.

Land owners had a feeling that when the time came to reinvest in other farm land, after having sold theirs to the government, they might have to pay more than they would receive.

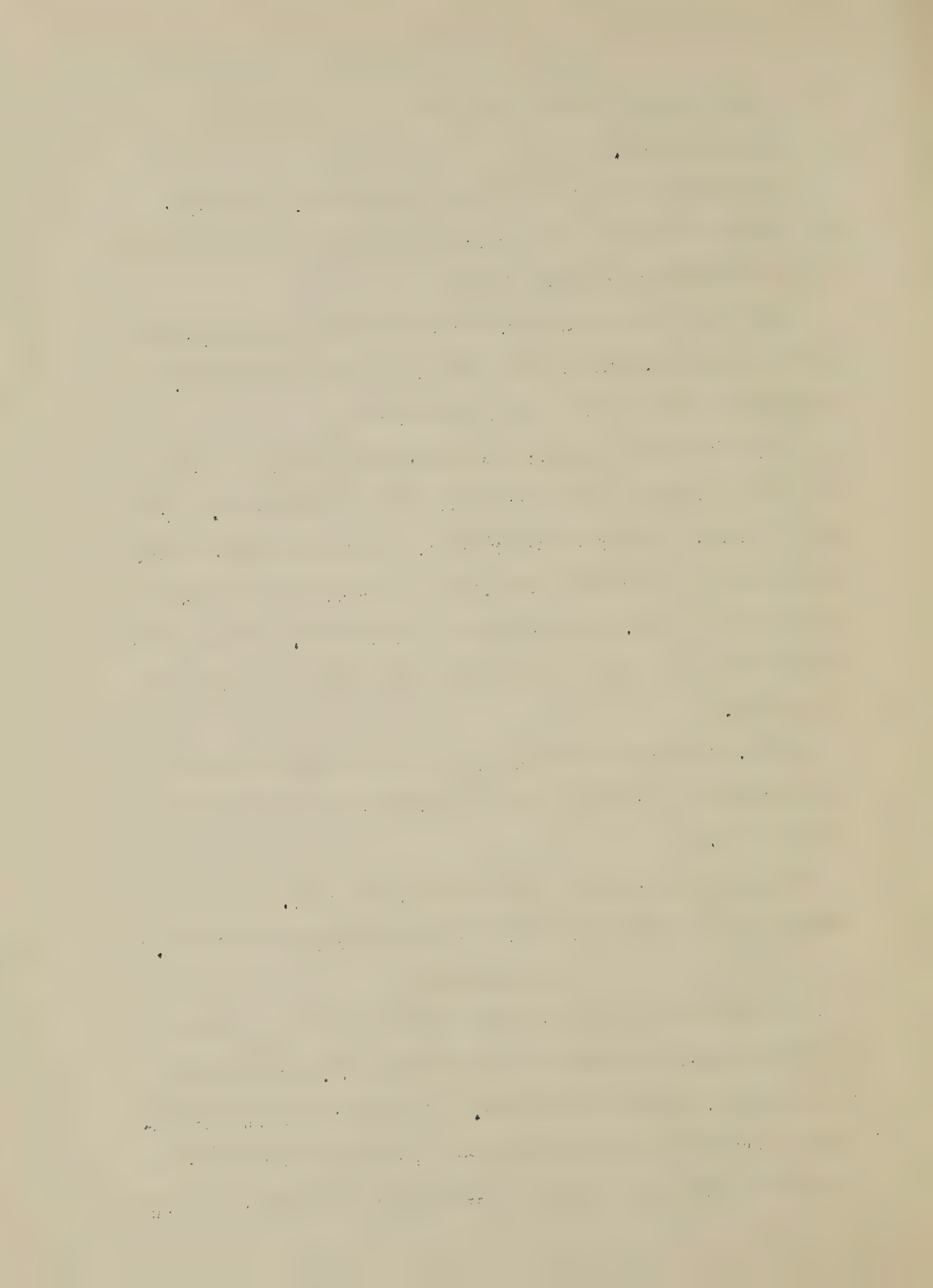
It was impossible to go ahead with proposed land deals when they did not know what their current equity would amount to. The loss of credit, built up through years of residence in their neighborhood, was a frightening possibility to be reckoned with when they moved to other places. They wondered if their banks, for instance, would insist on settlement of all debts when and if they left the neighborhood.

Finally, they were confused because the government's methods of acquiring land seemed to them to vary from time to time and from place to place.

These were the worries of the settlers last summer. Now, this statement will go ahead with current facts and proposed activities.

Initial Steps

The Farm Security Administration is taking an active part in resettling displaced farmers from both Kansas areas, through the Kansas Defense Relocation Corporation. The initial step was the making of a survey in adjoining counties of farms available for rent on either a temporary or permanent basis and of all vacant farmsteads



that could be occupied until March 1, 1942. Every farm family in these two Kansas areas has been offered a temporary location, for the most part consisting only of buildings and pasture.

Average price being paid by the government for the 50,000 acres in the two Kansas projects is slightly less than \$40. Price per acre for the anticipated 23,000 acres the ordnance plant near Wahoo will require will probably be considerably higher because of higher quality of the land.

Land Acquisition

In so far as possible the land is acquired after appraisal by direct purchase by the War Department. Where, for various reasons, such as refusal of the owner to accept the price offered, or necessity of quieting titles, it is impossible to acquire the land by direct purchase, condemnation proceedings are instituted.

Naturally there has been some delay in payment due to the large volume of work going through the finance office of the War Department, as well as all other defense agencies. This has caused difficulties due to farmers having to move from the area before they receive any payment on their land. Some owners, who had made a small down payment and had an option to purchase farms elsewhere, have not received payment for their former farms at the time the options expired on the new farms, and in some instances have lost the down payments or have had the prices of the new farms raised. Farmers who were not sure of the amount of equity they would get, due to the condemnation proceedings, had difficulty in purchasing a farm because

they could give no one definite assurance that they would be able to pay for the new farm.

At Fort Riley there has been considerable dissatisfaction among the land owners due to what appeared to the owners to be inconsistency in appraisal of the land. Appraisers worked separately and the owners thought they had different ideas of land values in this area. This dissatisfaction is evidenced by the fact that approximately 65% of the land in the area is being acquired by condemnation proceedings.

In the Parsons area approximately 70% of the cases were optioned; the other 30% represent families who were either not willing to option at the price offered or cases where it was necessary to condemn in order to clear title.

Tracts and Families Involved

In the Fort Riley extension 195 tracts comprising approximately 32,000 acres, are being acquired and in the Parsons area 154 tracts, comprising 17,200 acres, are involved. All of the farms in both areas are of a general diversified type. In the Parsons area it is estimated that 75% of the total purchase price will go to owners of the farms and about 25% to mortgage holders. In the Fort Riley extension it is impossible to make an accurate estimate of what percent of the purchase price will go to owners, because such a large number of the farms are being acquired under condemnation and it is not yet possible to determine what the purchase price will be.

One hundred and twenty-five families, comprising 417 individuals, are being displaced from the Fort Riley extension, and 130 families, comprising 318 individuals from the Parsons area. This means a total of 255 families with 735 members, are being displaced from their homes. It is interesting to note that the average size of these families is 2.9 persons, which is approximately 2 members per family less than the average size for FSA rehabilitation borrower-families in this region.

In the Fort Riley area 41% of the land was operated by owners, 10% by part owners, and 49% by tenants. In the Parsons area 48% of the land was operated by full owners, 8% by part owners and 44% by tenants. This represents about normal distribution between owner and tenant operations for this part of the state. There are more than 100 families in these two areas that are in more or less serious trouble in finding new farms, since tenants are the type of operator having the greatest amount of difficulty in relocating.

Secondary Dislocation

Immediately upon evacuation of an area of this type, new problems develop in the matter of secondary dislocation. That is, families going from the area into other sections of the country to find new locations will, in many instances, dislocate other families more or less distant from the area. This type of dislocation is continually passed on until some poorly equipped low-income farm family is forced from the land.

Some of the farms purchased by dislocated owners were unoccupied and will result in no further dislocation. In a few cases farms purchased for defense in the area and farms purchased by families displaced from the area are purchased from older couples wishing to retire, so that no harmful displacement results.

It is impossible, at this time, to make an accurate estimate of the total number of farmers that will finally be displaced by this secondary dislocation. To date a quite accurate estimate would be approximately 60, of which 40 have been displaced by purchase and another 20 by leasing of the farm they now occupy. Final results of this secondary displacement will not be known until March, which is the usual time farms change hands in this part of the country.

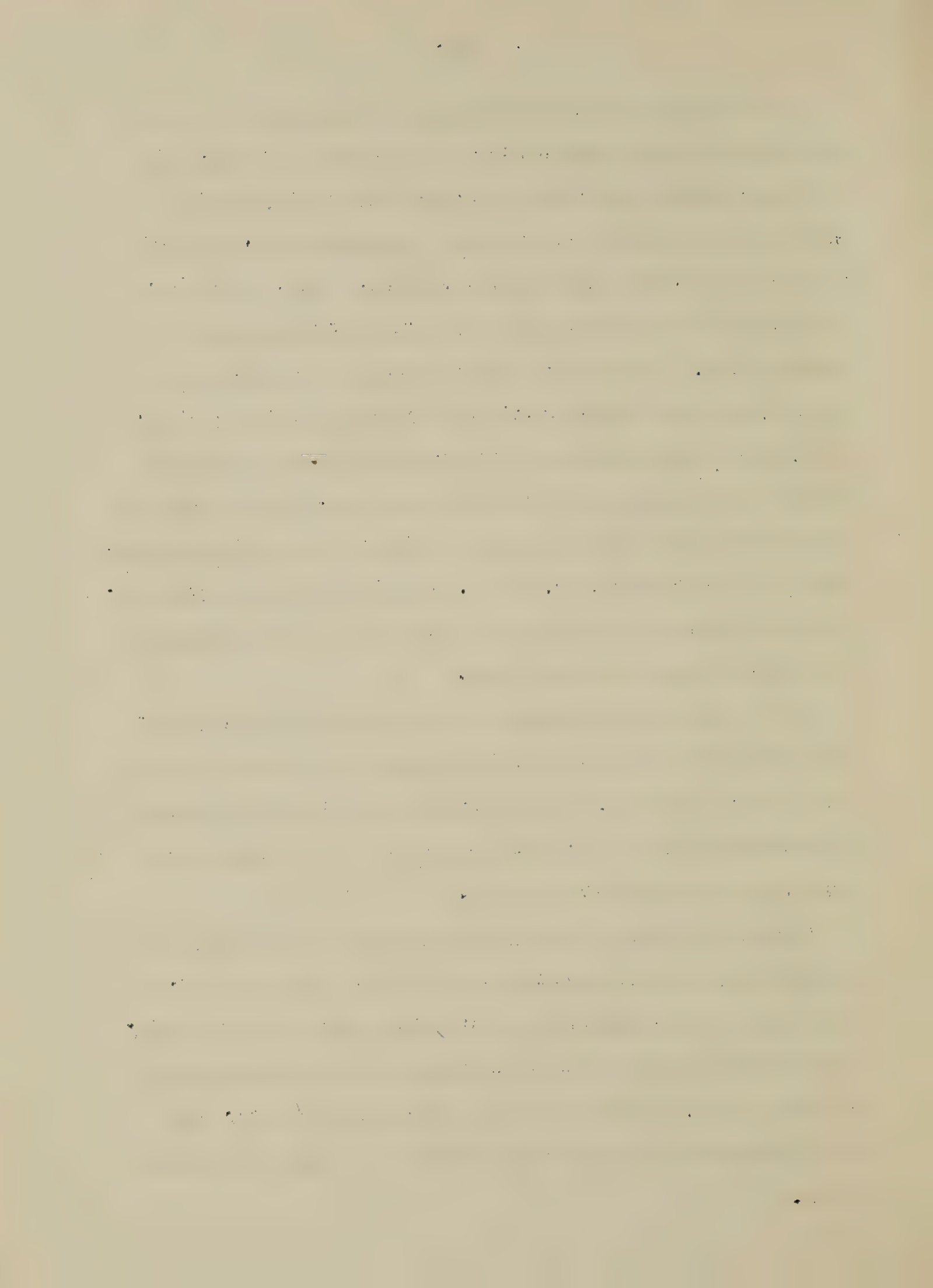
New Farms Purchased

Thus far, 18 former owners in the Fort Riley area have been able to purchase new farms, totaling 700 acres less than the farms they occupied in the area. This is an average of approximately 40 acres less per family and probably is not a serious reduction in size of farm. It must be remembered, however, that there are 37 former owners in this area still unable to find new locations of any type. Only two tenants in this area have been able to relocate and they are farming 100 acres less per family than they had, which is a serious acreage reduction for these two families. These families represent only 4% of the tenants in this area who have been able to relocate as against 33% of the owners.

In the Parsons area 32 former owners have been able to buy new farms with an average reduction in size of 50 acres per farm. As the owner-families only average $2\frac{1}{2}$ persons per family, and the average size of the new farm is nearly a quarter-section, these new farms are undoubtedly still family size farms. Only 7 of the tenants have been able to relocate with an average reduction of 27 acres per farm. These tenant families average $3\frac{1}{3}$ members and were on less than a quarter-section per family in the old location. Hence, this acreage reduction is rather serious and may mean that these families are on less than family size farms. While nearly 50% of the farmer owners have been able to relocate from the Parsons area, only 13% of the tenants have, so far, been able to find new locations. It is very evident that tenants are having much greater difficulties in relocation than are former owners.

Of the balance of the families displaced from the area, 29 families in the Fort Riley area and 25 families in the Parsons area are still looking for farms. Fourteen families have definitely decided to discontinue farming in the Fort Riley area and 27 families have given up farming in the Parsons area.

There are 35 working heads in these families now employed, and 8 unemployed, and 6 additional members of families are employed. A large amount of this employment is in defense work of various types. Both corporate and private employment have absorbed a small number of these people, and there are a few working as farm hands. The type of employment is about evenly divided as to temporary and permanent.



Six of these families are receiving direct relief, 6 are receiving old age benefits and 51 families have received grants from the Farm Security Administration.

Adjustments in Livestock

A rather drastic culling of livestock on hand has been necessary in most cases, due to reduction in size of operations and in many instances to inadequate buildings on the new farm. In general, however, it has not been necessary for these people to change their type of farming. As a rule people who have relocated report getting somewhat better land than they had in their former location.

Practically all of the families will be rather seriously handicapped in their new locations by lack of feed for the coming winter. This shortage is largely due to the time of moving, which gave operators no opportunity to raise and harvest forage crops or the more staple feed crops.

Social Adjustments

Probably the greatest handicap to the people moving from the areas is social, due to the fact that many have lived on the same farms all their lives. These are very old communities in which there was a minimum of rural migration. Many of the owner-operator families were the second or third generation on the same farm, and a large percentage of the share renters have been raised in the community and were renting from relatives or friends whom they had known practically all of their lives. It is the breaking of these neighborhood ties which has caused the greatest amount of discontent among the families.

Both of these areas were rather thickly settled and the removal of approximately 50,000 acres from agricultural uses means a greatly increased pressure for land. Owners have decided to sell rather than continue to rent their farms, and in cases where it is still possible to rent, the rent share has been increased. This same pressure for land is reacting against the former owners attempting to purchase in much the same way, in that vendors are increasing the prices considerably above the true agricultural value.

The many families, who are unable to purchase or rent farms, are being relocated in temporary quarters. These quarters for the most part, consist of vacant farmsteads on farms operated by large operators.

Defense Relocation Corporation

The Kansas Defense Relocation Corporation is an acquisition agency, endeavoring at the present time to purchase family sized units for the purpose of resettling displaced families. These units may be either sold or leased to the displaced family by the Corporation. If sold the repayment schedules will be over a sufficient period to allow the family a satisfactory standard of living; if rented the rent will be on an equitable basis.

Every effort has been made by the Corporation to select farms at reasonable prices that will pay out satisfactorily over a term of years. The Corporation has guarded against the purchasing of farms that would displace other permanent tenants.

1. The first part of the report is devoted to a general survey of the situation in the country.

2. The second part of the report is devoted to a detailed analysis of the economic situation.

3. The third part of the report is devoted to a detailed analysis of the social situation.

4. The fourth part of the report is devoted to a detailed analysis of the political situation.

5. The fifth part of the report is devoted to a detailed analysis of the cultural situation.

6. The sixth part of the report is devoted to a detailed analysis of the environmental situation.

7. The seventh part of the report is devoted to a detailed analysis of the international situation.

8. The eighth part of the report is devoted to a detailed analysis of the future prospects.

9. The ninth part of the report is devoted to a detailed analysis of the conclusions.

10. The tenth part of the report is devoted to a detailed analysis of the recommendations.

11. The eleventh part of the report is devoted to a detailed analysis of the annexes.

THE ECONOMIC SITUATION

1. The economic situation in the country is characterized by a steady growth of the national product.

2. The growth of the national product is due to a combination of factors, including a steady increase in the number of workers.

3. The increase in the number of workers is due to a combination of factors, including a steady increase in the birth rate.

4. The steady increase in the birth rate is due to a combination of factors, including a steady increase in the life expectancy.

5. The steady increase in the life expectancy is due to a combination of factors, including a steady increase in the standard of living.

6. The steady increase in the standard of living is due to a combination of factors, including a steady increase in the per capita income.

7. The steady increase in the per capita income is due to a combination of factors, including a steady increase in the productivity of labor.

8. The steady increase in the productivity of labor is due to a combination of factors, including a steady increase in the capital stock.

9. The steady increase in the capital stock is due to a combination of factors, including a steady increase in the savings rate.

10. The steady increase in the savings rate is due to a combination of factors, including a steady increase in the interest rate.

11. The steady increase in the interest rate is due to a combination of factors, including a steady increase in the demand for capital.

FSA Grants and Loans

In many instances it has been necessary for the Farm Security Administration to give grants to permit people to move from the defense area to their temporary locations. The general attitude of the community, however, has been against grants. Very few loans have been made up to the present, because of the impossibility of developing farm plans for loans on temporary locations. Doubtless more grants will be needed in moving these people from temporary to permanent locations, and because of the complete lack of income and expense involved on temporary locations, subsistence grants may be needed during the winter. Large numbers of loans will be necessary to establish these people on their permanent locations.

Land Pressure and Housing

The necessity of moving these families from the defense area into new locations magnifies all of the points developed in the previous section regarding pressure for land, and because of all these various obstacles great difficulty is being experienced in relocating these families moved from the defense area. These difficulties will in all probability increase instead of being mitigated.

There has been no demand for housing of workers in the Manhattan area, but in the Parsons area there has been a considerable shortage of housing for them, and the Farm Security Administration has been called on to alleviate this situation.

Trailer Camp

Tentative plans have been made by the Farm Security Administration to establish a trailer camp of sufficient size to accommodate a maximum of 500 trailers. This camp is to be established on a 40-acre tract on the outskirts of Parsons, Kansas. It is planned to place 100 trailers on it at the outset, and increase the number as circumstances demand. It is necessary to construct a sewer line and water line to connect with the city lines approximately $\frac{1}{2}$ mile from the camp site. The site has entrances on two highways and roads will be built and gravelled within the camp to facilitate the placing of trailers.

According to present plans construction work for this camp will begin about December 1, 1941 and should be completed by January 1, 1942.

The Bureau of Agricultural Economics and the Extension Service of the Kansas State Agricultural College were of great assistance in making the initial surveys of the areas and have continued to lend their assistance in every way possible since evacuation of the area, both in bringing farmers in contact with the Farm Security Administration and in assisting in finding permanent farms for dislocated families.

Problems Will Develop

The full effects of defense dislocations have not yet been felt by the Farm Security Administration offices in the counties in which

the areas are located and in surrounding counties. As permanent locations are found for dislocated families now in temporary quarters considerable work will be involved for the county Farm Security Administration personnel both in assisting families to move to their new locations and in providing them with the livestock and equipment necessary to resume normal agricultural operations. Probably the most serious effect to be felt will be when present borrowers are affected by secondary and following displacements. In any period of severe stress the final blow lands on the low-income families and undoubtedly many Farm Security Administration borrowers in counties quite a distance from these areas will be the families finally displaced.

Another serious effect on the Farm Security Administration program is that extreme pressure for land is a very serious setback to the present leasing program. The landlord has the commodity in the greatest demand and can pretty much dictate the terms on which he will lease his land. Farmers who are extremely anxious to settle will accept almost any lease terms in order to have a farm.

The Farm Security Administration probably has sufficient funds with which to meet this emergency, but considering the large number of families to be helped and the large amount of searching to be done to find locations for these families, personnel will probably be somewhat inadequate.

IV

CASE HISTORIES - GENERAL

AGRICULTURE DISPLACEMENT

Cavalier County - North Dakota

The family, with seven children, has farmed for 23 years and in 1930 lived on a 280 acre farm in Pembina County, of which 100 acres were cultivated and the balance hayland and pasture.

The family was displaced because the owner returned to his adjacent farm and his renter moved over to this family's farm, displacing the family to another farm of 160 acres of poor soil.

They again moved to a 320 acre farm owned by the Farmers & Mechanics Savings Bank of Minneapolis, on which they resided for five years. In 1938 they moved to their present farm and in 1940 the owner decided to rent the cultivated land to her nephew who lives nearby. The family has lived in the buildings, for which they pay \$35 cash rent per year. They have obtained another 100 acres for pasture at a cash rental of \$35.

The family has very few resources left after a migration from farm to farm over the past 23 years and at the present time find themselves, due to turn of economic circumstances, unable to continue further.

AGRICULTURE DISPLACEMENT

Divide County - North Dakota

This man and wife, with their four sons and three daughters, farmed in Divide County for the past fifteen years as tenants. Their farm consisted of 400 acres and has been operated by this family for the past three years. The farm buildings were far from satisfactory, although he was able to keep things in fair repair. It is principally a cash crop farm. As crop conditions improved the rent shares were increased to the point where he felt he could no longer operate this farm. It will now be operated by the landlord with hired labor and equipment.

The family has attempted for some time to secure another farm and when unable to do so ceased farming and went to the state of Washington, where he now works as a common laborer. This means seven children will grow up with an insufficient diet and very meager opportunities, rather than a satisfactory living and a wholesome outlook on life.

AGRICULTURE DISPLACEMENT

Emmons County - North Dakota

This couple and infant son, have resided on their present farm for one year. The farm consists of 320 acres well diversified.

They have made considerable progress; improved sanitary conditions and facilities and added productive units on the farm with the hope that eventually they would be in a position to purchase it for their own home.

In September 1941 a brother-in-law of this man bought the farm and the family is now forced to move. To date they have no other farm in sight and their plans for the future are very indefinite.

AGRICULTURE DISPLACEMENT

Grand Forks County - North Dakota

This family consists of man and wife and four children. They have operated a rented farm until last spring when their farm was rented to a neighbor who was already operating a suitable unit.

The family had made satisfactory progress, having eliminated the necessity of receiving grants to balance their farm and home operations - which were necessary during the early period of their loan. The family has established a high degree of self-sufficiency and were receptive to guidance and assistance that was available for them in their program of rehabilitation.

However, because land resources are no longer available to the family they have lost the opportunity to continue their rehabilitation progress. The plans of the family are very indefinite and they have no prospects in sight for securing land.

AGRICULTURE DISPLACEMENT

Grant County - North Dakota

This family consists of father and mother, a daughter 2 years old and a baby 6 months old. They are farming 800 acres; 145 acres in crop, 154 acres idle, 500 acres in pasture.

The family has resided on this farm since 1940, having previously lived with the wife's parents. Recently he was notified by the Federal Land Bank, who had acquired the farm by foreclosure, that this farm had been sold and that the family must vacate.

This farmer has attempted to locate a farm but has been unsuccessful. He has contacted the county FSA office and asked permission to hold a public sale to liquidate the loan made by the Farm Security Administration.

AGRICULTURE DISPLACEMENT

McIntosh County - North Dakota

This 29 year old couple and 4 small children, are farming 320 acres, principally a grain farm; very little pasture. They have lived in the community 10 years and on this farm for 3 years. The farm was owned by the Bank of North Dakota.

The supervisor states that the selling price on this farm had once been placed at \$1800, was raised to \$2600 last year, and this year commanded a price of \$4000, being purchased by a well-to-do neighboring farmer with sons and sons-in-law. Incidentally this farmer has purchased six farms over the past five or six years, and purchased this farm at a \$4000 cash price. The family was apparently making fair progress and it appears that they will be forced to liquidate their loan inasmuch as no farm can be found. It appears that this family's plans will be to move to town and secure day labor.

AGRICULTURE DISPLACEMENT

McKenzie County - North Dakota

This family consists of husband, 60, wife, 58, sons 20 and 18. The twenty year old son is working for the WPA in Watford City. The eighteen year old boy is interested in farming. The family is farming 840 acres owned by a banker.

The father obtained a loan from the Farm Security Administration for the purchase of 8 milk cows, 140 ewes, work stock and equipment. The borrower's original land was purchased by the LU Division and, in the absence of being able to secure another farm, was forced to lease a farm from the banker, the farm which he now must relinquish because of sale. The present farm was sold by the landlord and the tenant was compelled to either lease another unit or liquidate. Because of difficulty in obtaining a unit he has liquidated his loan.

AGRICULTURE DISPLACEMENT

Rolette County - North Dakota

This farmer, with his wife and five children, has operated for himself since 1911. The first farm they rented seven years, the second for seventeen years, the third for four years and the fourth farm, from which he must now move, one and a half years. The last farm is 160 acres. This farm has been sold to a local farmer-operator who has bought it for a home.

The family has no definite plans for the future. They are looking for vacant buildings in which to reside through the winter. It is probable that this family will have no place to go and will ultimately be a public charge.

AGRICULTURE DISPLACEMENT

Stutsman County - North Dakota

This couple and their four small children lived on the farm where the father was born, having been there for the last five years. Previous to that time they lived in town. The farm consists of 389 acres and was owned by the Federal Land Bank. It was sold to an investor and in the opinion of the supervisor, a speculator, for a consideration of \$1200. It was very difficult for the family to leave this farm inasmuch as it was the borrower's original home and was the original home of his father. The family had made excellent progress operating the diversified unit in accordance with the RR program, and contemplated making application for a tenant purchase loan when they established themselves sufficiently to be in a position to carry the added debt.

On October 7th this family was forced to hold a sale due to the fact that they were unable to secure any other farm. This sale retired their FSA loan in full and left a balance of \$1000 for the family.

They plan to go to Washington where the father will seek employment in a sawmill.

AGRICULTURE DISPLACEMENT

Towner County - North Dakota

This family consists of man and wife and four small children. Prior to 1940 he operated as a farm laborer and trucker. In 1938 the family received \$100 direct relief from the Public Welfare Board, in 1939 they received \$20 relief, and in 1940 they received \$90 in grants from the FSA which carried them through until their farming operations were producing a living.

Since 1940 the family has farmed a 320 acre unit owned by the Burlington Savings Bank of Burlington, Vermont. They have made suitable progress and were making orderly repayments on their FSA loan.

In the fall of 1941 the farm was sold. The new landlord has had the pasture on the place plowed up and has refused to rent the farm to this man. The family was unable to find a farm and held a sale on September 25, 1941. They are now living in two rooms in the city of Cando and have no prospects of obtaining better quarters. Not having any resources, it appears that this family will remain in town and will have to resort to WPA or direct relief due to a lack of farm.

AGRICULTURE DISPLACEMENT

Ward County - North Dakota

This man and wife and their seven sons, farm 370 acres that was a part of an 800 acre unit owned by the Federal Land Bank. The family moved to Ward County from McLean County because of an unsuitable unit in McLean County. They have operated this farm for two years. This man has farmed all his life.

The family's rehabilitation loan was made in 1936 and total amount advanced finally reached \$3,122, of which over \$900 has been repaid. The relationship between this family and the FSA and the FLB was excellent and the family unity appeared to be conducive to rehabilitation of this family.

They had made plans to operate for 1942 when they were contacted by a representative of the Federal Land Bank and advised that a purchaser who had been dispossessed in another area made an offer for the entire unit of 800 acres and in all probability the deal will be completed. The borrower is making every effort to secure an adequate farm, but up to this time has not been able to do so. Their plans are very indefinite and at the present time the family is using its meager resources in locating another farm. They are completely stranded with respect to next year's operations.

AGRICULTURE DISPLACEMENT

Clark County - South Dakota

This man is a good cooperator and a good worker. At the present time he has fifty head of cattle, horses and a full line of horse machinery. He is living on a 320 acre farm on the northwestern part of Clark County. This farm has 160 acres of grass and rented for \$200 cash rent in 1941. It is necessary for him to move because his landlord has demanded cash rent in the amount of \$325 for the year 1942.

AGRICULTURE DISPLACEMENT

Clay County - South Dakota

This client had to leave the farm on which he was located in Union County, South Dakota, because at the last moment before the crop season started, the land was sold. The moving expenses were over \$140, and seriously handicapped him in this season's operations. Just after harvest this year the farm he now occupies in Clay County was sold and while he has assiduously searched the entire county he has been unable to secure another farm, and has about decided to sell his chattels and retire from farming. He is a good farmer and has always lived on the farm.

AGRICULTURE DISPLACEMENT

Clay County - South Dakota

This farmer and his wife secured a standard loan and moved to a farm in Lincoln County in the spring of 1939. They are good farmers and he has fair equipment, including a new tractor. However, owing to unjust rental conditions, they were compelled to move to a farm in Clay County in 1940. Now the farm they occupy has been sold and they have been unable thus far to secure another in this or surrounding counties, because of the numerous farmers moving in from the western counties who are willing to sign contracts to lease land at unreasonable figures.

AGRICULTURE DISPLACEMENT

Hyde County - South Dakota

A standard borrower of the Farm Security Administration, indebted to that organization in the amount of \$2498.71 as of July 15, 1941, has from the inception of his loan in July of 1937, been a tenant farmer in Hyde County, South Dakota, residing on a Federal Land bank owned farm. In March of 1941, the Federal Land Bank notified him that every effort would be made to sell the land that he resided on. The possibility of this borrower obtaining a lease on another farm unit of sufficient size to accomodate his livestock enterprise is highly improbable in this community. His property consists of 71 head of cattle, 17 head of horses, 12 hogs, 85 chickens, 23 turkeys, a full line of farm machinery, 10 ton of corn fodder, 25 ton of cane and 175 tons of hay. If a satisfactory unit could have been leased it would have necessitated a move of considerable distance at an approximate cost of \$300.

This instance is typical of a vast number of tenant farmers that are, at the present time or will be in the immediate future, confronted with a similar problem. In a great many instances these persons so affected will be unable to secure tenure for themselves and family.

AGRICULTURE DISPLACEMENT

Lake County - South Dakota

This standard FSA borrower has been renting a 240 acre farm in the northwest part of Lake County. The farm had been owned by his mother, with a Federal Land Bank loan against same. A year or two ago the Federal Land Bank took over the farm and they have been renting from them. Recently the Federal Land Bank informed the borrower that he would have to purchase the farm or move.

Most of the farms for rent in the county are owned by the Federal Land Bank and various insurance companies, and these agencies are all holding the farms for sale and not putting out any lease contracts until about January and in some instances not before February or March, 1942.

There are seven members in this family. The oldest son is in United States service at present; the other four children are at home.

AGRICULTURE DISPLACEMENT

Lake County - South Dakota

In 1938 this FSA borrower moved to a 160 acre farm, rented from the South Dakota Rural Credit Board, in the west central part of Lake County. This is a large family consisting of thirteen members. Although the farm unit was somewhat small for this large family, they were able to maintain a fair standard of living. During the three years the family lived on this farm, it was necessary occasionally to supplement their income with a subsistence grant. However, in 1940 no grants were received by the family.

In the spring of 1941 the farm was purchased from the South Dakota Rural Credit by a local implement dealer. The family was unable to locate another farm, for 1941 farm operating it became necessary to liquidate the FSA loan. The implement dealer who purchased the farm planted the crop and the buildings are unoccupied. The purchaser lives in Madison and operates several hundred acres of farm land in various parts of the county.

The family moved to an unoccupied house on a farm in the same community where the farm land is rented and operated by a neighboring farm operator. The sale of the personal property in the liquidation of the FSA loan was held in the forepart of May 1941 and the proceeds were about \$80 short of paying the loan in full. Since the sale, the father has been working on WPA with the exception of work he had during harvest and threshing.

AGRICULTURE DISPLACEMENT

Lincoln County - South Dakota

This farmer, age 41, is the head of a family of six consisting of his wife, age 36, four sons, age 18, 16, 6 and 5. This family had operated a farm in Lincoln county for a number of years, always on a rental basis. In February 1941 the farm operated by this family was sold, the purchaser being one of the larger owner operators in the county. As the purchaser intended to farm this unit, the family was forced to get off by March 1, and look for another unit. The borrower had always farmed with horses and to the best of my judgment had always done a fair to good job of farming. His experience in trying to relocate was that if he had owned a tractor he could have rented a suitable farm or two that he was unable to get because of having horse power. The result was that a liquidation sale was held paying off his loan and putting this family into town.

This family's plight is one example of the discriminations shown against horse operations in this section of the state, and also that of the larger owner operators further expansion crowding the smaller operator off the land.

AGRICULTURE DISPLACEMENT

Spink County - South Dakota

This standard borrower was notified by his landlord that the place which he was on had been leased to another party and that he would have to give possession October 1, 1941, on which date his lease expired. He is nearly 65 years of age and he and his wife had reared a family of three boys who had all married and left home, the youngest of whom has a loan through this office and lives a mile south of the farm on which the father operated last year. This borrower had spent a greater share of his adult years in the vicinity of Condo. He therefore tried to locate a suitable unit in that territory but could find none. Due to his age and lack of help from the family he did not wish to start up in a new community. He signified that he would rather liquidate than do so. We just completed holding a public auction.

Apparently there were no differences between the borrower and his landlord and the only reason for dispossession on the part of the insurance company was to lease this farm to a younger tenant who might possibly prove to be a purchaser.

AGRICULTURE DISPLACEMENT

Todd County - South Dakota

This man came to Todd County in the spring of 1937 moving here from the neighboring county of Bennett. The reason for this move was the fact that a change of tenants was made on the farm he was leasing. Coming to Todd County he rented an Indian allotment on a cash basis. This place was small and inadequate and a year later the Indian owner desired it for his own use and consequently the family were again forced to move.

The family moved next to a farm owned by an investment company. The family was able to acquire a suitable unit here and was beginning to get ahead with the aid of a Farm Security Administration loan. After two seasons on this farm they were advised that it had been sold and on March 1st they would have to vacate. The family was fortunate in obtaining another farm in the same neighborhood owned by the Federal Land Bank. This location was suitable with respect to size, facilities, etc. They moved there with the expectation of remaining for at least three years. They have recently been advised that the farm has been sold and they are now endeavoring to find another farm. He estimates that each move has cost approximately one hundred dollars.

AGRICULTURE DISPLACEMENT

Turner County - South Dakota

This family consists of father and mother, a son who is 27 years old and a daughter 18. This family resides on a farm three miles north of Marion. They had formerly owned this farm which was mortgaged to the Federal Land Bank of Omaha, Nebraska. Several years ago, they became delinquent on the Federal Land Bank loan because of drought, grasshoppers and depression prices for their produce. The family had paid good hard cash toward the purchase of this farm in an amount more than equal to a reasonable valuation of the farm at this time. However, the Federal Land Bank was forced to foreclose their mortgage a few years ago and continued to lease the farm to the family until now. It is quite probable that this family will not be able to get a farm for next year and will be dislocated from the only occupation they know well. These people are honest and reliable and are good farm operators and there is little question but that they could make a success on the farm.

This family has been notified that the farm has been sold and that they will have to move off next March 1st.

AGRICULTURE DISPLACEMENT

Yankton County - South Dakota

This FSA rehabilitation loan client was obliged to discontinue farming and move to town about March 1, 1941, due to his inability to secure a lease upon a suitable unit on which to continue his operations. The farm last occupied by this client was sold by a loan agency (South Dakota Rural Credits) to a local investor who had made a previous commitment to rent to another applicant. Our borrower was obliged to dispose of his chattels at public auction and is now living in the city of Yankton, employed as a day laborer, and without the time or resources to secure a farm upon which to resume operations.

He is typical of a very substantial class of farm people who for generations have made their livelihood in agriculture, and whose qualifications and inclinations are for a continuation of that occupation. This particular individual is at least of average intelligence and his progressive tendencies are evidenced by the effort he has made to provide educational opportunities for his family. He has been a victim of the existing tenancy situation in that he has operated under an annual lease without adequate renewal provision and under a contract containing a very unequitable sale clause. He eventually found himself without a farm unit too late in the season to secure another.

AGRICULTURE DISPLACEMENT

Cass County - Nebraska

This man is a Farm Security Administration borrower and will be displaced from his farm as it has been sold to an owner-operator. He formerly farmed in western Nebraska. Drought conditions forced him to liquidate early in the '30's and move to the eastern part of the state, where he worked as a common laborer and on WPA. In the spring of 1940 he leased 120 acres with improvements, and 80 acres unimproved. The farm was not for sale at the time; however, later it was listed with an agent and the 120 acres was sold, displacing him for the operating year of 1942.

The original Farm Security Administration loan was for \$752. During the years he was off the farm, he accumulated unsecured obligations which were drawn into his plan. He raised a good crop of corn in 1940 and also had very good luck with his livestock, which made it possible for him to meet his payments on his unsecured accounts and his payment to the FSA. During 1941 he has had considerable livestock increase to sell and has made further payments on unsecured accounts, as well as his FSA loan. He has exchanged and culled down his livestock to where he has a good producing herd of cows. His corn crop is fair and if he is forced to liquidate, he will pay the FSA in full and have a few hundred dollars for the family. He has made rapid progress the last two years and if he is forced to sell out and ever decided to go back to farming, it would take him at least two years to reach the point he has now attained.

AGRICULTURE DISPLACEMENT

Cheyenne County - Nebraska

This family of five came to this part of the county in 1930 from Hall County and moved to this 320 acre farm located in the Lodgepole Valley. He was a good farmer and was forced to come to this agency for a loan as he had not been able to repay his indebtedness to International Harvester Company on the machinery and livestock which he owned.

The farm which they occupied was sold and a large irrigation project set up to raise beets. A German-Russian family was brought in to farm the land.

This family did not want to leave the farm and made every effort to find a suitable place to continue. They were making a great deal of progress and would have been able to repay their loan within a three-year period if they had been able to remain on the farm and continue under fairly normal conditions.

The mother was active in the Extension Service and Church work, and the oldest daughter had taken an active part in 4-H Club work. From farm income they were able to send the daughter to college for one year. Since that time, she has taught in a rural school and repaid her family, in addition to helping them with their expenses. The past two years the family has been employed as caretaker of the Country Club in Sidney, Nebraska. They recently left this position since they were just able to exist with this income.

AGRICULTURE DISPLACEMENT

Deuel County - Nebraska

This farmer is an FSA standard borrower in Deuel County who is 64 years old and his wife is 61. They had resided on a 160 acre unit for the past three years and were making progress, reducing their indebtedness to the FSA and making a satisfactory living. The farm belonged to an insurance company and was bought by a man who is renting it to his son. The farm is now operated in conjunction with several other farms by this purchaser and the buildings are unused.

The borrower was forced to hold a public sale and retire from the farm. At his age his earnings are not sufficient to supply a living for himself and his wife and a son is forced to supplement this income. He is waiting until his 65th birthday in order to receive Old Age Assistance.

Had he been able to continue on the farm, he would no doubt have been able to supply an adequate living for himself and his wife and to have eventually retired his indebtedness to the FSA and remain self-supporting.

AGRICULTURE DISPLACEMENT

Deuel County - Nebraska

This family consists of husband and wife and two children, 3 and 8 years of age. They had operated this particular farm for four years and were getting along quite well.

During 1940 the residence on this place was destroyed by fire. The landlord received \$1200 insurance. Shortly after the fire the place was sold to a merchant who owns several farms.

This family would have been able to rent empty buildings on an adjoining farm but the new owner favored the large type operator and would not lease the farm to them.

They have sold their livestock but have retained their machinery still hoping to be able to obtain a farm to operate. During the past year the man has been working by the day in the state of Washington. The family is very dissatisfied in town as they were born and reared on the farm and have nothing but an agricultural background. It appears extremely unlikely that this family will be able to rent another farm in this county.

AGRICULTURE DISPLACEMENT

Lincoln County - Nebraska

This family consists of father and mother and two children, age 14 and 16. They have had total advances of \$1089 from the FSA which indebtedness they have reduced to \$233.

They have resided on their present place for the past eight years. The farm is suitable for the family and with the aid of the FSA loan they have been able to properly operate this farm and maintain a good living and retire their debts in an orderly manner.

The only reason that the landlord will give for not leasing the farm to this family for another year is that he insists that this farm be operated with a tractor. FSA fails to see where it would be of benefit to this borrower to change his method of operation when he has proved his ability to operate successfully with horses. The farm has been leased to an adjoining operator who has purchased additional power and will expand his operations by this amount.

Due to the new tenant expanding his operations this family will be displaced from farming as there is no opportunity of their finding another farm in this county.

AGRICULTURE DISPLACEMENT

Lincoln County - Nebraska

This family consists of man and wife and six children ranging in age from 12 to 24. The family has been borrowers of the FSA since 1935. The advances made to this family have totaled \$2010 of which they have repaid over \$1000.

They have occupied the farm from which they have been forced to move for the past three and one half years. Just recently it was sold to a man living in an adjoining county. The purchaser said the reason for buying this farm was that he wanted to obtain land in Lincoln County in order to receive a larger ACP payment by combining his other farms with the farm in this county. Since purchasing this farm he has also purchased a new tractor and will operate this farm himself with no one living in the buildings.

The family had developed a good herd of Holstein cows and has been very successful with both their dairy and poultry enterprise. They are unable to secure a lease for the coming year and it is very evident they will have to hold a sale and dispose of livestock and equipment.

AGRICULTURE DISPLACEMENT

Madison County - Nebraska

This two-member family received their first loan in August 1936. The RACC held first mortgage on the livestock at that time. In December 1938 enough livestock and grain was released to pay the RACC in full.

This being an 80 acre farm with very poor improvements, the family was unable to raise enough feed to care for subsistence livestock and they received supplemental loans in 1938 and in 1940. He continually tried to locate more land but was unable to do so. In the fall of 1940 he rented a 120 acre farm from the FLB which was very well improved and was good soil. A supplemental loan was made to purchase more livestock and equipment so that they could handle this farm in a satisfactory manner.

About two months ago this farm was sold to an RFD carrier from a nearby town. This man expects to continue with his mail route and put a hired man on the place. He expects to spend his afternoons working on the farm. This land sale has eliminated one good tenant farmer who was making a satisfactory living on the farm.

This family spent a good deal of time and money painting, plastering and papering parts of the house. They were getting to the place where they felt they were succeeding in their farming operations when the farm was sold. The extra work that they had put in to get this place in good order had been wasted to them. The improvements put on the place by them helped the sale. This family has not found a farm which will be satisfactory for their type of farming.

AGRICULTURE DISPLACEMENT

Nance County - Nebraska

This family consists of man and wife and four children. They have resided on this farm for 17 years. They were formerly owners of the place but due to continued poor crops and low prices, lost title to the farm two years ago and since then have been tenants. They have just received notice that the farm has been sold and that they will have to vacate by March 1, 1942.

This family has gone through a very difficult period during the last ten years and would have been unable to continue farming had not the FSA assisted them. They received their FSA loan in April 1941 and during the last year have been able to operate with less worry and concern for the future than they have for several years. The family's living standards have improved and the borrower has been able to do a much better job of farming.

To date they are unable to find another farm and the borrower has thought of moving to town or trying to get a job on some defense work, but this does not solve their problem permanently. This family should remain on the farm and become rehabilitated in agriculture as this is the only occupation in which they have any skill.

AGRICULTURE DISPLACEMENT

Sioux County - Nebraska

This family of 3 members, father 56, mother 53, girl 15, lived on a Sioux County farm of 1040 acres. This 1040 acres was divided into 130 acres crop land and 910 acres pasture land. They moved onto this farm in 1936 and same was sold from under them in 1940, forcing them to pay out a small remaining balance of a loan of \$1035 that had been advanced the first two years of operation.

This family operated a stock set-up, running about 30 head of cattle, 4 horses and 4 brood sows and producing feed for same. They cooperated in the community affairs and were members of Extension service.

Since the family moved from the farm, the father has died. The daughter is married and the mother has been doing private nursing for a living.

AGRICULTURE DISPLACEMENT

Barber County - Kansas

This case is very interesting and typical of the many tenants who are being displaced in this territory. When we originally made the borrower's standard loan some three years ago, he had 320 acres rented. This enterprise was well balanced as to farm and pasture land. He operated under this lease for approximately one year when one quarter of this land was sold to a large ranch holder located near by. It was impossible for him to obtain additional land so it was necessary for him to get along the best he could on the quarter upon which he lived. He was forced to pasture his livestock wherever pasture was available and this was not large enough to support the livestock program that was set up for him.

This farmer operated on this small acreage for approximately a year until the 160 acres was sold to another land holder. He was forced to either move to town or secure a farm upon which there was undesirable tenure arrangements. The farm was good from every standpoint but the cash rent was exorbitant and two or three of the former tenants were forced to move off the farm because of their inability to meet the rent. This client operated this farm to the best of his ability and although the cash rent was very high, he made a considerable amount of progress, largely due to advanced prices.

This farm was recently sold to another farmer, who had sold a poorer farm and was hunting a more productive piece of land. The borrower has no idea where he can get any property to rent and will have to dispose of his livestock that he has built up and move to town.

AGRICULTURE DISPLACEMENT

Labette County - Kansas

This borrower was operating a 120 acre farm, paying cash rent in the amount of \$275. This rent, while high, for this size of farm, included very good buildings, also a very good silo. The operator was intending to continue operating on the same rental basis for the 1941 season. The lease contained a clause, however, "Subject to Sale", and on February 15, 1941, the operator was notified that the farm was sold, and possession requested March 1, 1941.

This family contacted real estate agencies, County Farm Bureau, and individual owners of farms, but were unable to locate any desirable operating unit, and as the length of possession was short, it was decided that the only thing that could be done was liquidation, and this was accomplished.

At the time the original loan was made to this family, they were operating mostly as farm laborers, with very little equipment, and were taking no part in community activities. At the time of forced liquidation, the family had a balanced farm enterprise, were members of the local Farm Bureau, were church members, and the children were attending school, with the boy intending to enter Junior College.

AGRICULTURE DISPLACEMENT

Marion County - Kansas

This farm of 320 acres is located in the southeastern part of Marion County, Kansas. It is a good farm for livestock and a good place for a home.

The original owner lost the place to the mortgage holder. They sold it a few years ago on a sales contract to a farmer who later became a Farm Security borrower. He was unable to meet the payments and the mortgage holder again took it over. The borrower had to find another location as he could no longer rent the place.

In the spring of 1941, it was rented to another FSA borrower who moved from Saline County. The owner tried to sell it to him on a sales contract, but the deal was not made. The rental terms were the usual $1/3$ of the crops and \$125 cash rent, with sale clause. In the summer of 1941 the owner sold the place to a dentist. The first demand by the new owner was for \$50 a year more cash rent. The next thing he knew the place had been rented to another person who appears on the place intending to sow wheat on ground already prepared by the borrower. An agreement has not been reached as the new renter will not pay the cost of preparing the ground and the landlord backs him up and has served notice that the borrower must vacate. The result is the borrower is on an urgent hunt for a new location. There are thus two farm operators out in less than a year on a single place.

AGRICULTURE DISPLACEMENT

Miami County - Kansas

This farmer received his FSA loan in February 1940. At that time he had leased 80 acres on which he was paying \$200 cash rent. In March 1941 a relative of the landlord who had been living out of the county moved on the farm and took possession. This forced the borrower to camp on a 20 acre farm with most of his livestock. He had purchased some prebred cattle and wanted to keep all of his livestock as he felt that he had a good start. In the spring of 1941 he put all his cattle out on pasture and tried to carry his herd through hoping that he might secure a farm he could move on in the fall or in the spring of 1942.

The borrower did some outside work and at the present time is employed in a federal project in the state of Missouri. He was unable to lease a farm so he billed a sale for October 7, 1941 for all livestock with the exception of one good quality heifer and four horses. His indebtedness was paid in full and he had approximately \$350 left and the heifer and four horses. He was very unhappy the day of the sale as he sincerely wanted to keep his livestock. This was good livestock and hard for anyone to dispose of who was trying to build up a subsistence unit. He had made considerable progress on his way to a livestock enterprise that would have been a definite asset to the community. However, due to the fact that a farm could not be found, he was forced to liquidate his chattels and is now employed in defense work.

AGRICULTURE DISPLACEMENT

Neosho County - Kansas

This family moved to Neosho County from Dickinson County and purchased a farm at an inflated price on a contract purchase plan from an insurance company. After two years of operation and disposing of most of their foundation livestock to meet their payments they found that it would be impossible to continue with the purchase of the farm. Under these conditions it was necessary for the family to apply for a Farm Security Administration loan to increase their livestock enterprise. This family was approved for a standard rehabilitation loan in March 1941 and received their initial loan of \$970 in April.

This is an excellent farm family. They use good farm and home practices. The home, the farm buildings and premises show better than average care. They keep an excellent account book, accept supervision and cooperate with Farm Security Administration in every way possible.

Due to the fact that this insurance company has adopted a policy of three year tenure this family is forced to move and has not been able to rent a satisfactory farm.

AGRICULTURE DISPLACEMENT

Pottawatomie County - Kansas

At the time this family applied for a loan they had \$259 of debts and \$650 of chattel property. They had four horses and one cow but no chickens or pigs. This family had no vegetables and were living on bread and potatoes mostly. They obtained all their clothing through the welfare office. They had received a subsistence grant for some time. There are nine children, one of whom is a complete invalid.

During the time they had their loan they were able to buy their own clothing and to have a better diet than they had had for sometime. The family was able to produce their own subsistence needs in dairy products, poultry and poultry products and pork. At the time of liquidation there was sufficient property to pay the loan in full.

All the children went to high school and two children married well while they had their FSA loan. It is unlikely the family will be able to keep the children in high school under present circumstances.

The farm this family was renting was sold to the lumber yard operator, who rented to them for two years. The lumber yard closed and it was necessary for the owner to move on the farm. The head of the family is now working as a day laborer on whatever employment is available for him. It makes it very difficult for him to support a family of nine members.

AGRICULTURE DISPLACEMENT

Sedgwick County - Kansas

This borrower lived on a small dairy farm when he first obtained an FSA loan. There were six members in the family.

After the loan was obtained the borrower moved to a 110 acre dairy farm paying \$600 a year cash rent. Shortly after the defense program became active in Wichita this year, the borrower had his rent raised from \$600 to \$1000. This was prohibitive rent and the borrower was forced to move on a five acre tract.

The reason given by the landlord for increasing the rent was that other people were getting in on the high prices and felt that he should, as he could get \$75 a month for the house and rent the land in addition.

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CASE HISTORIES - DEFENSE PROJECTS

AGRICULTURE DISPLACEMENT

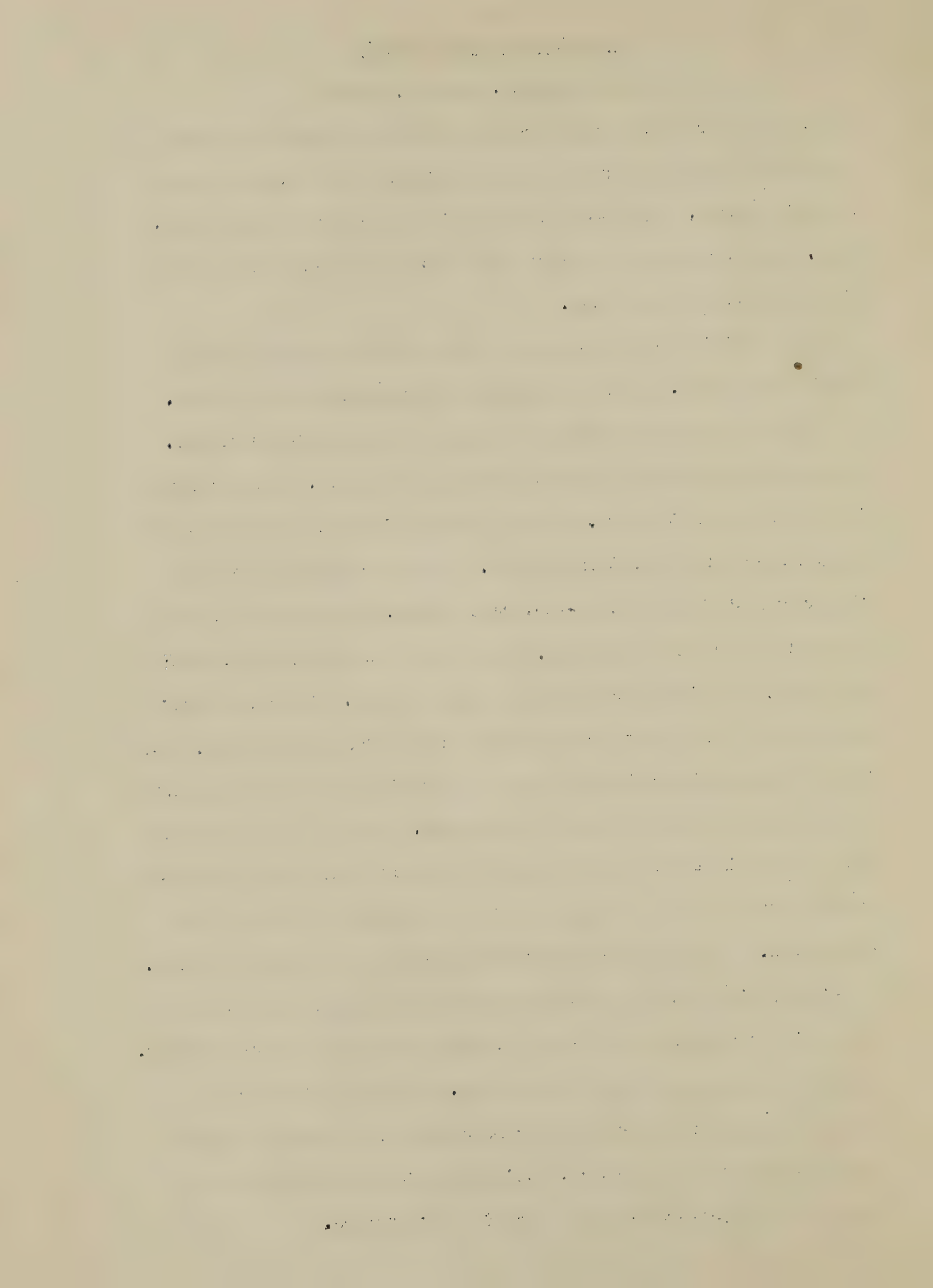
Defense Project, Parsons, Kansas

Excellent relations with the owner of the 160-acre farm they rented the past 10 years had made this family feel entirely secure in their tenure. The family included the man and wife and 3 children. They operated on a share rent basis and obtained any needed financing from a local bank.

When notified to vacate, they tried unsuccessfully to lease within the county. Further attempts incurred additional expense.

The bank financed equipment taking a 90-day chattel mortgage. A small government crop payment was to pay the note. Not receiving it when the note fell due, it was extended six months and additional money loaned for relocation expense. Having no place to go when they received their 10-days-to-vacate notice, they decided to rent a temporary location available, consisting of a house, small poultry house, dilapidated barn and six acre pasture. Realizing their inability to care for their livestock through the winter there, they held a public sale, retaining less than subsistence stock and applied the proceeds on their chattel indebtedness. The two girls have re-entered school but the high school boy and his father are trying to secure work and must shortly apply for assistance unless they are successful. They have never previously received any kind of relief.

This family wants to continue farming and the FSA and Defense Relocation Corporation are trying to help them lease a farm for 1942. Though they succeed within a few months, they will have no fall seeded crops and will have to go considerably into debt to replace their equipment and livestock. Relocation from the defense area has seriously jeopardized this farm family's future.



AGRICULTURE DISPLACEMENT

Defense Project, Parsons, Kansas

This family of husband, wife and infant daughter, has spent their entire life on a farm and was operating a 120-acre place owned by his mother. Equipment and livestock was owned jointly and he paid his mother \$75 privilege rent, 1/3 of the crops and one half the livestock increase. His application for an FSA standard loan was pending.

The operator's interest in crops was appraised at \$75 but no payment has been received. Although they had never received FSA grants, it became necessary for FSA to assist when they vacated.

The family had no equity in the farm and the mother did not have funds to purchase another farm, since the original farm was heavily mortgaged. She was forced to sell her interest in the equipment and livestock, leaving the tenant without equipment necessary to operate. Although his FSA loan provided for purchase of equipment, all these factors prevented him from finding a place to rent for 1942.

FSA helped secure a temporary location on the edge of a small town. They kept two cows and two dozen chickens, sacrificing the rest of the livestock and equipment to finance the move.

The wife, just released from the hospital, suffered a set back from the exertion of moving in rainy weather and was forced to return. The husband secured odd jobs, including poorly paid farm labor and is now trying for work at the Ordnance plant. They prefer to continue farming, for they know no other occupation. Even though the Relocation Corporation secures a farm for them to operate in 1942 they have suffered a serious reverse and will go largely into debt for the equipment and livestock necessary.

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AGRICULTURE DISPLACEMENT

Defense Project - Parsons, Kansas

Six years ago this young family, which has always lived in this area, was "graduated" as farm laborers and began farming for itself.

For six years they have rented the same farm paying \$70 privilege rent and one-third of the crops. They owed a local bank for \$350 and \$300 on a tractor and combine, purchased two years ago. Besides having built up a substantial livestock enterprise, they were doing custom work for neighbors. The government crop appraisal was satisfactory to them but no money has been received. Unable to find a suitable farm on which to relocate, they rented a temporary location with only sufficient space for part of their livestock. The rest was sold and the money applied on their indebtedness, and reborrowed. Their machinery is kept on part of another farm rented from relatives.

The family knows no other occupation than farming. They hope to relocate in a vicinity where they can secure custom work to pay for tractor and combine, but fear they will have to sell both to pay off the mortgage.

At present the husband has no work but is trying to secure a place at the Ordnance plant. If he does, he will not be able to care for his livestock properly and will sell the major portion. Because they must have income from some source and feel that outside employment is the only solution, they are considering a public sale. They hope to be able to reestablish their farming operations in the future on some other farm. Sale of the farm this family was renting has jeopardized their entire future in farming.

THE UNIVERSITY OF CHICAGO

PHILOSOPHY DEPARTMENT

CHICAGO, ILL.

TO THE HONORABLE THE PRESIDENT OF THE UNIVERSITY OF CHICAGO

AND THE HONORABLE THE DEAN OF THE UNIVERSITY OF CHICAGO

AND THE HONORABLE THE CHANCELLOR OF THE UNIVERSITY OF CHICAGO

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AGRICULTURE DISPLACEMENT

Defense Project, Parsons, Kansas

This man and wife and 2 children owned an 80-acre farm. Assessed value of the farm was \$2800; the family's equity over indebtedness was \$1500. They had never had an FSA loan or grant. They wanted \$4500 for the farm, but took the Government's offer of \$3500 as they needed the money to relocate. No payment has been received, and at the time they vacated they were forced to sacrifice part of their livestock and equipment.

The husband is in poor health and unable to do manual labor. A substantial portion of the family income is from cheese, butter and other products the wife sells in Parsons. The FSA tried to relocate them near Parsons so they could retain this market, but there were no farms available. They are renting temporarily, 15 miles from Parsons; paying \$250 rent up to March 1 for poor house and barn, pasture and lots.

They hoped to purchase a farm on which the wife could handle a large poultry enterprise and sell to a specialized market, but circumstances forced them to cull and sell 3/4 of the 200-hen laying flock. The boy quit school and got a job to help the family. The girl missed three weeks of school, helping the family move. The father's age and poor health prevents him from getting defense employment. The family is much disturbed over their future. They have not been reimbursed for their crops or land and have not found a place to rent and have sold so much of their livestock and poultry that it would be impossible to operate any fair sized farm the coming year. They feel the Ordnance plant has taken their home and has jeopardized their entire future.

AGRICULTURE DISPLACEMENT

Defense Project, Parsons, Kansas

This six-member family consists of man, wife, 3 children and a grandmother. The wife is one of eight heirs to an estate from which they rent 160 acres, paying \$100 privilege rent and 1/3 of the crops. Farm buildings were adequate, including dairy improvements.

Major farm enterprise was their 12-cow registered Jersey herd from which they sold Grade "A" milk in Parsons. Each cow produced over 350# butterfat. Not FSA borrowers, they handled their financial needs through a local bank owing about \$500.

Although the wife's equity in the estate, which the Government was purchasing for \$5000, was insufficient to finance purchase of another farm suitable for dairying, a brother was willing to help if they could locate an adequate place. In June, hearing that they would be forced to move, they began looking in their vicinity and found it hopeless.

They rented a small farm temporarily, hoping soon to find a permanent location, but this failed too and they were forced to sell most of their dairy herd. The public sale brought poor prices, considering this type of livestock. They have retained their equipment and a small portion of their livestock and are hoping the Defense Relocation Corporation will lease them a farm by March 1, 1942. They want to reestablish their dairy enterprise, but if they are able to purchase the type of livestock they sold; they will have to pay considerably more than they received from the sale.

The husband and oldest son are trying to secure fall and winter work at the Ordnance plant.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This family has experienced little but misfortune since moving from the Ft. Riley extension area August 1. In the family are the husband, wife, sons, 14 and 12, and five daughters, 10, twins 8 and twins four.

They have been tenants on the same 160-acre farm since 1935, paying crop share and \$50 cash rent. They had a 6-room house in fair condition, and poor barn and outbuildings.

They had repaid \$162 on a standard Farm Security loan of \$262, making good progress, borrowing as little as possible and repaying whenever possible. They are good workers and close managers.

Knowing they would have to move they did not plant feed this summer and are now without feed for their livestock, which they placed with relatives. They went to Colorado to work as farm laborers in the hay fields but continuous rain forced them to return to Kansas and find temporary quarters in Junction City. Floods there drove them out and to very crowded quarters with relatives where they are now living.

They received a \$100 relocation grant from Farm Security and are looking to the KDRC for help in locating a farm. They did not receive any damages from the government for their forced move. As the landlord refused to accept the government offer for the farm, condemnation has been instituted. It is doubtful that they will receive any compensation for their crops from the landlord. The attitude of this family has become more or less hopeless due to continuous hard luck. The seven children have a rather uncertain prospect as they face the future.

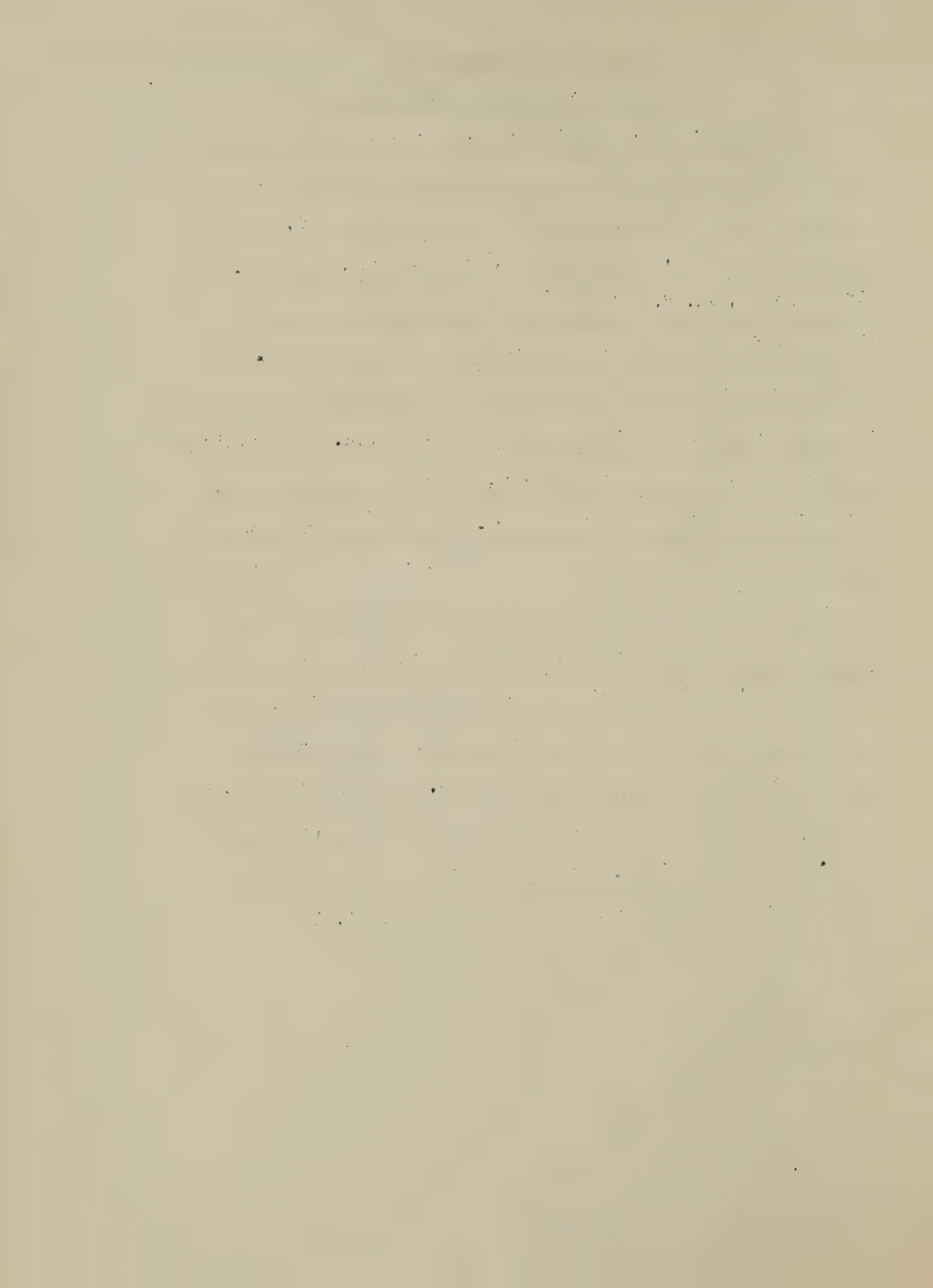
AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

Ten members of this family are living on their own 122-acre farm on which there is a real estate mortgage of \$1000. At home with the father, 57, and mother, 46, are two sons, 13 and 9, and six daughters, 11, 8, twins of 6 and twins of 4. Three additional older children are earning their living away from home.

They have borrowed a total of \$1360 from the Farm Security Administration and the unpaid balance is now \$1272. The family is honest, they are all good workers, but it is too large to have made much progress on so small a farm. The 5-room frame house is in poor condition and the barn and other buildings are inadequate.

The owner asked \$4500 for the farm and rejected the land acquisitioner's offer of \$3350, which was approximately \$27 per acre. It is alleged that the government paid \$30 per acre for the roughest pasture land in the same area. Condemnation proceedings are now in process but no notice of hearing has been received. The farm is in Area V of the Fort Riley extension, in which farmers can retain possession until January 1, 1942.



AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

The head of this family, 53, has been a farmer since 1927. His wife is 47 and they have a son, 12 and two daughters, 11 and 8. He operated the 400 acre place he was renting as a livestock farm, with 131 acres in crops. They lived in a good 8-room stone house and other buildings were adequate. They obtained needed financing from a local bank.

On August 1 when they were forced to leave their farm, which is in the Ft. Riley extension area, they had been unable to rent another farm. They are temporarily living on a farmstead, waiting for help from the KDRC in finding a place. They have received no damages from the government or the landowner. FSA made them a \$100 relocation grant. Rent on their temporary location and the cost of feed amounts to \$35 a month. The family is very dissatisfied.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This husband, 44, and wife, 38, have nine children, all at home. The boys are 16, 10, 9, 6, 5 and 3 and the girls are 13, 12 and 1.

They have share-rented the same 160 acre farm since 1932. The 8-room stone house was in fairly good condition but the outbuildings were barely sufficient for their livestock, which includes 13 cattle, 4 hogs and 340 poultry. Rental was on a one-third share crop basis, with no cash. The family had repaid \$297 on a standard loan totaling \$834 from the Farm Security Administration.

With the assistance of a \$100 relocation grant from Farm Security, the family has been able to keep its livestock and equipment together on a temporary location and is looking to the KDRC to help them get a farm to operate. Grant assistance will have to be continued until they are relocated and established well enough to develop a subsistence income.

No reimbursement for the tenant was allowed by the government in appraisal of the farm and the figure was so low that it is doubtful if the landlord will have enough equity to pay the tenant any damages. The family wants to remain in farming and is anxious to get a livestock setup. Because of the family's large size and the amount of labor available within the family, a rather large farm ought to be located for them.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This man and wife and two small children have lived on the same farm for the past 8 years. It was a 320-acre farm with very satisfactory buildings on which they paid a rather high share rent and per-head pasture rent for their livestock.

Their original FSA loan was more than \$1500 which they have reduced to \$667 indicating quite satisfactory progress.

As the owner was offered less than the unpaid balance on the Federal Land Bank mortgage for the farm, he refused the offer and condemnation proceedings have been instituted. The family did not receive any damages from the government for their crops and in view of the offer made for the farm it is quite doubtful if they will receive anything from the landlord.

The family is at present living in a temporary location expecting to secure a farm from the Kansas Defense Relocation Corporation next spring. Even though they are relocated on a satisfactory unit next spring the loss of their feed crop and consequent expense of carrying their livestock through the winter means quite a serious set-back.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This FSA borrower-family is the owner of a 122-acre farm on which there was a \$1000 real estate mortgage. It was a rather small farm for a 13 member family and as a consequence they were not able to make a great deal of progress in retirement of their debts. They had been able to do a little more than hold their own and furnish this large family with a satisfactory living.

The family did not feel that the appraisal price of the land is just and refused the government's offer, making it necessary for condemnation proceedings to be instituted. They have no idea what they will receive for their equity in the farm and as a consequence they are unable to make any progress toward getting a new location.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This young couple and their baby daughter had been living on a farm in which the husband owned an interest. The farm was of ample size, improved and gave them a very good income.

As the result of disagreement between the owners and the acquisition office as to the value of the farm, it has become necessary for the government to acquire the land by condemnation proceedings. Because of the length of time involved in these proceedings, the family did not feel there was any hope of having funds with which to secure a farm by March 1, 1942. They have sold all their stock and equipment, and have moved into town and the husband is working on the defense area. They do not care for urban life or this type of employment but can see no hope for continuing in agriculture.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This man and wife and seven small children have been operating the same 160 acre farm on a share basis since 1935. They have a small loan with the FSA on which they have repaid more than one half. They have made good progress, borrowed as little as possible and repaid whenever possible.

Because it was necessary for them to move on August 1 from the Ft. Riley defense area they were unable to harvest any feed. Since moving they are living in a temporary location, inadequate for the children and in a very unsatisfactory condition for winter. They have not received any damages for their displacement and according to the amount offered the landlord for the land, he will probably not be in a position to pay any damages to them.

The FSA has assisted this family with a \$100 relocation grant and is attempting to find a permanent location for them, but to date their situation is precarious.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

A 400-acre stock farm with a good house and set of out buildings, has been operated by this six-member family since 1927. They were well satisfied with the farm and were making a good living. The fact that they had resided on the same farm 14 years shows that the landlord was well satisfied with the care they were giving the place.

Because the farm land was in the Ft. Riley extension area, these people were forced to vacate the farm August 1. They were unable to rent a suitable farm and are living in vacant buildings on another farm, hoping that through assistance of the FSA they will be able to find a satisfactory place for 1942 operations.

Rent and feed purchases on the temporary location amount to \$35 a month and as they have received no damages from either the government or the former landlord for their dislocation, it has been necessary for the FSA to give them a \$100 relocation grant.

Members of this family are very discouraged and dissatisfied with present conditions and it is urgent that a satisfactory new location be found where this family can continue their former operations.

AGRICULTURE DISPLACEMENT

Ft. Riley Extension, Ft. Riley, Kansas

This family of 11 members has a standard loan from the FSA. They have borrowed a total of \$834 and repaid \$297 to date.

Since 1932 they have been operating the same quarter section farm on a one-third share, no-cash basis. The land was satisfactory but the house was in need of considerable inside repair and the outbuildings were barely sufficient for the livestock.

This large family was forced to vacate when the farm was purchased for the defense area. No reimbursement was allowed by the government, in their appraisal of the farm, for the tenant's crops and it is doubtful if the landlord will have enough equity to reimburse the tenant for any damages.

The FSA assisted with a \$100 relocation grant and moved this family to a temporary location where, so far, it has been possible for them to keep all of their livestock and equipment. The entire family is anxious to continue farming but because of its size and the amount of available labor it is necessary to find them a rather large farm.

The Kansas Defense Relocation Corporation has been unable to find a suitable farm to date. If this family is unable to relocate in agriculture, it will mean a rather severe change in outlook on life for the nine children and probably a very meager living.

VI

EXHIBITS

(County)

(State)

Questionnaire on Displacement of Farm Families

- I. Number of active standard borrowers in your county who have been, or, you definitely know, will be displaced between March 1, 1941 and March 1, 1942 by the sale of the farm on which they now reside _____.
- A. The number of those farms which have been or are being sold by the following are:
- (1) Federal Land Bank _____.
- (2) Insurance Company _____.
- (3) Individual _____.
- (4) State or County Agency _____.
- B. (1) The number of these purchasers who are farm operators and
- (a) who own adjacent land is _____.
- (b) who own non-adjacent land is _____.
- (c) who were tenants but are now becoming owner-operators is _____.
- (2) Number of purchasers who will operate farm:
- (a) with hired help but will live on farm themselves _____.
- (b) with hired equipment and machinery _____.
- (c) with own labor and equipment, but who will reside elsewhere _____.
- (3) Number of purchasers who are investors _____.
- (4) Number of purchasers who are speculators _____.

Remarks:

II. What is your best estimate of the additional number of active standard BORROWERS in your county, who will be displaced by March 1, 1942? _____.

A. Of these, how many will be displaced by other tenant farmers whose present farm has been sold? _____.

B. Of these, how many will be displaced because of landlord demands for more satisfactory labor and/or equipment? _____.

C. Of these, how many will be displaced because of increased rent on land? _____.

D. Other reasons for this type of displacement:

(1)

(2)

(3)

Remarks:

III. Number of active standard BORROWERS who will be able to rent farms prior to January 1, 1942 _____: March 1, 1942 _____.

A. Number of these families who will remain in rural communities _____.

1. Number who will be self-supporting _____.

2. Number who may need relief _____.

B. Number of these families who will migrate to urban communities _____.

1. Number who will be self-supporting _____.

2. Number who may need relief _____.

Remarks:

IV. What is your best estimate of the total number of all FARMERS, including borrowers, in your county who will be displaced by March 1, 1942 _____.

V. Number of FARM families who have left your county for employment which is the result of defense activities _____.

Remarks:

(Use additional sheets for any additional remarks you care to make.)

APPROVED LIQUIDATIONS

<u>Total No. Approved</u>		<u>Paid in Full</u>		<u>Others</u>	
1940	1941	1940	1941	1940	1941
No.	No.	Amount	No.	Amount	No.
July 38	43	\$ 6,146.65	27	\$ 24,536.61	68
August 113	78	11,477.80	76	76,507.47	64
September 113	171	7,015.50	72	84,274.67	55
Total 264	292	24,639.95	175	185,313.75	187
				41,658.01	66
				125,455.55	191
				63,064.18	
				164,576.03	

Liquidations
(000 Omitted)

■ Paid in Full
■ Other

